

Clinton-Assad Meeting Set For January In Geneva

U.S. Sees Participation By Damascus as Key to Reviving Mideast Talks

By John Goshko

DAMASCUS — President Bill Clinton and President Hafez Assad of Syria will meet in Geneva in mid-January to explore ways of breaking the deadlock that has paralyzed peace talks between Syria and Israel for more than two years, Secretary of State Warren M. Christopher said Thursday.

Announcement of the summit meeting, which Mr. Christopher said is expected to lead to resumption of the Syrian-Israeli talks in late January or early February, capped a series of gestures by Syria and the United States aimed at stimulating better relations between the two countries and sweetening the atmosphere for resuming the stalled negotiations between Jerusalem and Damascus.

When Mr. Christopher visited here Sunday, the Syrians promised to assist a U.S. congressional team investigating the disappearance of Israeli soldiers in Lebanon during the 1980s and to give exit permits to all Syrian Jews who want them by the end of the month.

U.S. officials reciprocated by announcing that the United States would ease its economic sanctions against Syria sufficiently to permit Damascus to purchase three U.S.-made Boeing 727 commercial jetliners from Kuwait.

Until Friday, Mr. Christopher had denied reports that these gestures were the prelude to a Clinton-Assad summit meeting. Nevertheless, since he arrived in the Middle East a week ago, Mr. Christopher has given top priority to seek-

See MIDEAST, Page 6



Yasser Arafat, the PLO leader, and Foreign Minister Shimon Peres of Israel after their talks Thursday in Granada, Spain. Israeli officials described the session as "tense."

North Korea Acknowledges An Economy In Shambles

Party Statement Cites Agricultural Crisis and Need for Hard Currency

Compiled by Our Staff From Dispatches

TOKYO — North Korea, the world's most rigid Communist regime, acknowledged publicly for the first time Thursday that its Stalinist economy had been devastated by the collapse of the Soviet Union and was in grave crisis.

A day after dismissing the state planning chief, the leadership of the ruling Korean Workers' Party revealed the failure of huge sections of the economy, with industrial output sagging, power and steel production poor and unspecified serious farm problems.

The party ordered two to three years of economic readjustment during which, it said, top priority would go to bolstering agriculture, light industry and the foreign trade essential to earning hard currency.

At the same time, an official statement announced the political rehabilitation of President Kim Il Sung's younger brother, the former deputy prime minister, Kim Yong Ju, after a 17-year eclipse. Kim Yong Ju was named to both the Korean Workers' Party's Central Committee and to its executive Politburo.

It was unclear just how significant his abrupt return was, or whether there would be any effect on Kim Jong Il, 51, who has long been groomed to succeed his father.

What was clearly significant was the North's acknowledgement finally of what the outside world had long suspected: that its economy was in deep trouble.

The acknowledgement was in a bluntly worded communiqué issued following a Central Committee plenum and distributed Thursday by the official Korean Central News Agency.

Later in the day the agency, monitored in Tokyo, reported that the Supreme People's Assembly, the nominal parliament, had convened for its scheduled year-end session in the presence of the "great leader," President Kim.

It was unclear whether more important decisions were in store.

At the Central Committee plenum, presided over by President Kim, the leadership decided to call a halt to years of propaganda claims that all was well in North Korea's "earthly paradise."

Since the demise of the Soviet bloc, the communiqué revealed, North Korea has been forced to pay world prices in scarce foreign exchange for essential imports such as oil and equipment and raw materials for industry. The communiqué said that this had made it impossible to fulfill the Third Seven-Year Plan as scheduled.

North Korea also has had to "divert a big proportion of the economy to national defense" in the face of "political, military and economic" maneuvers against it, including the annual U.S.-South Korea war games, according to the statement.

"We could not but take a resolute self-defense measure, putting the whole country, the entire people and the whole army in a semiwar state," the communiqué said.

It said the "internal and external situation remains grim and complex" but that "no political and ideological offensive, economic blockade and military threat on the part of the imperialists and reactionaries" could thwart North Korea's socialist construction.

South Korea reacted in guarded fashion. "Until now the North has always boasted how well it was doing," a spokesman for the South Korean Unification Ministry said. "But if the North has admitted its failure, then it's a significant change."

In a remarkable public acknowledgment of the sufferings of ordinary North Koreans, widely believed to be enduring severe food and power shortages as well as unremitting political repression, the party leadership said in its communiqué:

"Our people's unbounded loyalty to the party and the leader, the might of the single-hearted unity of the leader, the party and the masses and tremendous vitality of the socialist independent national economy of Korea have been demonstrated more powerfully despite the grave situation and grim trials during the third seven-year plan period."

President Kim also attributed the crisis in large part to heightened military tension over North Korea's suspected nuclear weapons program.

North Korea is under notice of possible United Nations economic sanctions unless it grants access to inspectors.

In a year of violently conflicting signals, the North has promulgated laws aimed at luring foreign investment and technology while issuing trades against foreign plots, banning foreign visitors for several months and even declaring a short-lived state of "semiwar." (Reuters, AFP)

EC Leaders Turn Their Attention From Trade to Trade-Offs

By Tom Buerkle

BRUSSELS — European Community leaders arrived here Thursday amid fears that the search for a common economic policy would be overshadowed by an internal battle.

The fight isn't exactly over trade, as had long been feared, but over trade-offs.

The EC Commission, the executive agency

that handles negotiations over trade for the Community, appeared to have defused that issue Tuesday when it settled most of its trade disputes with the United States.

But several states, led by France, are demanding high compensation and trade-policy concessions in return for supporting the deal with Washington and the global trade accord that is expected to result from it. The possibility that the European Council, as the summit meeting is called, will degenerate into a

scramble for payoffs clearly has officials worried.

"We have no interest in making out of the European Council a huge bargaining session for more money for European farmers," one EC diplomat said. "That would really have a devastating impact on public opinion."

The commission and the Belgian government, which as the holder of the rotating EC presidency is the host for the meeting, say they are determined to keep attention focused on

giving hope to Europe's army of unemployed, now 17 million strong and growing.

Britain has attacked the commission's plan to boost jobs as too timid on the need to cut costs and deregulate and too outlandish in seeking to borrow 8 billion European Currency Units (\$9.05 billion) a year for transportation and information networks.

Kenneth Clarke, Britain's chancellor of the Exchequer, said Thursday that the Community did not need any new money, and he criticized

the commission for divulging its plan to EC governments only four days before the meeting.

President François Mitterrand of France, who first brought up the borrowing plan, is an enthusiastic backer, and French officials claimed to have persuaded Germany to drop its opposition to the idea. Belgium and Spain also like it, because it endorses the kind of austerity measures they are attempting to impose.

But members of Belgium's biggest union plan See EUROPE, Page 15

Finally, Inflation Looks Like It's Tamed

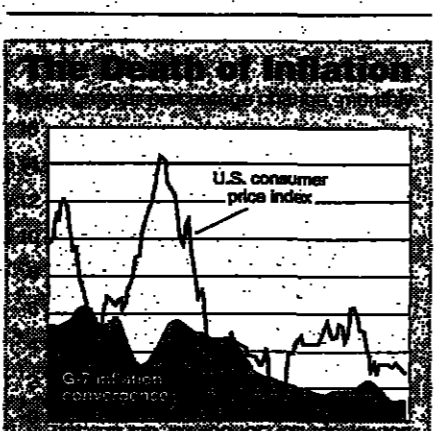
By Lawrence Malkin

NEW YORK — For a generation, slaying the dragon of inflation has been the quest of economists worldwide and the governments they advise. That high-inflation era may be ending, Wall Street's economists declared this week.

Competitive changes in the world economy, as profound as any since the opening of vast new lands to farming and mining in the 19th century, have ushered in an era of lower price and wage growth.

The world now is a different place from the one in which monster government deficits, runaway oil prices, and other double-digit horrors bed the earth beginning with the first oil price shock 20 years ago.

A combination of less ambitious government policies, more globalized money markets, and brutal low-wage competition from emerging



Source: Bloomberg L.P.

countries make the inflationary 1970s look like a prehistoric age, according to the economists who tell Wall Street's biggest bond houses where to place their bets.

None of this is likely to be reversed soon, and it is reinforced for the present by a desynchronized world economy: Slowdowns in Europe and Japan mean less imported inflation and have helped cut oil prices. By contrast, all industrial economies were booming on the eve of the first oil shock in 1973.

Underlying these cyclical forces, said Neal Soes of CS First Boston, is a historic shift in the world economy that began with the industrialization of the Southeast Asian tigers, continued with the liberalization of Latin America's economies and gathered force when the Berlin Wall came down, finally discrediting communism.

This opened the way, he said, for "hundreds of millions of workers in mainland China, Rus-

See INFLATE, Page 17

A Blunt New Yeltsin Warning to NATO

By William Drozdzak

BRUSSELS — President Boris N. Yeltsin delivered a blunt warning Thursday about the risks of expanding NATO, saying that any early attempt to incorporate East European states would damage Russia's strategic interests and hurt prospects for reconciliation with the West.

Mr. Yeltsin told the NATO secretary-general, Manfred Wörner, that enlarging the domain of the Western military alliance would arouse Russia's old fears of encirclement and possibly undermine the cause of democratic reforms.

The Russian leader was visiting Brussels to court a fresh show of Western support for his

political reforms before parliamentary elections in Russia on Sunday.

Mr. Wörner tried to reassure Mr. Yeltsin that the Western allies wanted to build a "new security architecture for Europe." This, Mr. Wörner said, would be "not against or without, but with Russia."

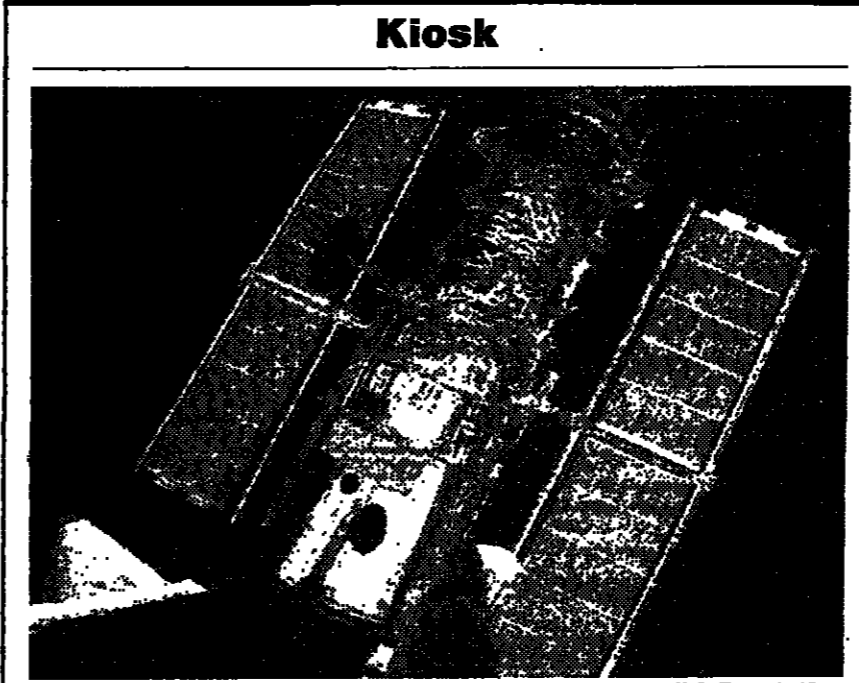
But Mr. Wörner also stressed that NATO leaders would declare their intention to expand the alliance at their forthcoming summit meeting and could not allow objections by Russia to stand in the way.

"I said in a very friendly but very clear way that we are a sovereign alliance," he told reporters after a breakfast meeting with Mr. Yeltsin.

Hoping to expand Russia's links with the West and to demonstrate to Russians that he enjoys the full backing of Western leaders, Mr. Yeltsin signed a political and economic cooperation pact at European Community headquarters and later dined with the EC leaders on the eve of their summit meeting.

At a ceremony attended by president of the EC Commission, Jacques Delors, and Belgium's prime minister, Jean-Luc Dehaene, Mr. Yeltsin said that the new partnership between Russia and the European Community proved that "Europe is finally getting rid of the after-

See YELTSIN, Page 6



WINGED VICTORY — The Hubble Space Telescope, with its new solar panels unfurled, after shuttle astronauts finished repairs. Now the testing begins. Page 6.

Austria Holds Letter Bomb Suspects

VIENNA (AP) — The police arrested two suspects Thursday in connection with the rash of letter bombings that wounded Vienna's mayor and four others.

In a statement announcing the arrests, Interior Minister Franz Löschnak also im-

posed a news blackout over the results of further investigations.

At least 10 bombs were sent, and four exploded. Mayor Helmut Zilk of Vienna lost two left hand fingers and most of a thumb. Six bombs were disarmed.

On the Slopes

Beginning today, a report on ski conditions from Andorra to Aspen. Page 20.

Book Review

Bridge Page 4. Crossword Page 6.

How Britain's Rabid Obsession Has Altered the Channel Tunnel

By Erik Ipsen

LONDON — On Friday, the first land link between Britain and the Continent since the last Ice Age more than 10,000 years ago moves a fateful step closer to opening when its builders officially hand the keys over to its operators. For many Britons the weeping has only just begun.

A recent poll revealed that half the British population is convinced that lurking somewhere among the tens of thousands of visitors streaming through the Channel Tunnel will be that most dreaded of travelers — rabies.

Ninety-one years after the last recorded indigenous case of rabies in Britain, the nation remains uniquely, stubbornly obsessed by the disease. "Have you seen the films of people dying of rabies?" asked Neil Edington, professor of virology at the Royal Veterinary College. Even the normally sober Financial Times recently said, "Of all diseases, none has a more fearsome reputation than rabies."

Everyone agrees that death by rabies is horrible, featuring as it does violent convulsions and dread of water in its final stages. There is also widespread agreement that once symptoms occur in a human bitten by an infected animal, death is both inevitable and swift. Beyond that however, a wide gulf yawns between perceptions in rabies-free Britain, where the disease verges on a shared national nightmare, and the Continent, where rabies is found yet little feared.

"A dog with rabies could go down the High Street and infect people and suddenly we would have a major health problem with rabies in Britain," said Mac Johnson, senior lecturer in virology at the Royal Veterinary College. Happily, he notes, Britons can pet cats and dogs on the street without being consumed by fear, a condition he contrasts with the rest of Europe.

At the other end of the Channel Tunnel experts not only beg to differ, they hint bemusedly of British paranoia. In France they insist that the disease, though hardly harmless, is no scourge. "Everyone is aware that it is a terrible disease

but it is something that can be easily protected against," said Michel Aubert, the head of the rabies section of the French Ministry of Agriculture.

He points out that contrary to British fears of the disease running rampant in France and posing a major public health risk, the last recorded indigenous rabies fatality came in 1924. A few others have died subsequently but only from bites contracted abroad. What is more, while he acknowledges that the disease cannot be treated once symptoms occur, the experience of the bite itself is normally innocuous enough to prompt the victim to seek immediate medical assistance. Vaccines have long been almost 100 percent effective.

In London, even a Ministry of Agriculture spokesman acknowledges that rabies has not been a plague on the landscape "for many, possibly hundreds of years." But he stressed that the danger, and thus the need for vigilance, remained. For British pets the danger is all too real. Under the

ministry's rabies contingency plan, said a spokesman, Paul Hayward, the authorities would seal off the area where rabies had been detected and "start slaughtering all domestic animals."

To ensure that such carnage does not come to pass, Eurotunnel was asked by the British government in 1985 to guarantee that its facility, which is scheduled to open to passengers in May, would not form a pathway for rabies. As a result, when operators take physical possession of the Channel Tunnel on Friday from the construction consortium TML they will inherit in addition to miles of welded rails and specially designed rail coaches, the world's most elaborate anti-rabies shield.

"We thought of everything," said Anthony Crowley, the rabies expert who designed the shield. In addition to beefed-up customs facilities to check passengers and cargo, Mr. Crowley also put in place a system of physical barriers to See RABID, Page 6

Table with financial data including Dow Jones (Down 4.75, 3,729.78), Trib Index (Up 0.88%, 109.13), The Dollar (New York 1.7037, 1.708), Pound (1.4945, 1.4947), Yen (108.86, 108.90), FF (5.8388, 5.8325), and Newsstand Prices for various countries like Andorra, Antilles, Cameroon, etc.

WORLD BRIEFS

Annapolis '50 Class Ring Ends Mystery of Missing American

By Fred Hiatt

MOSCOW — Forty-one years ago, as a young sergeant in the Soviet Maritime Border Guard...

Americans, the former sailor, now 64 and a resident of Rostov-on-Don, turned the ring over to American officials...

uncover information about Americans who disappeared during the Cold War. Captain Dunham, who was from Easton, Maryland...

system telling us they knew nothing," she said, "and all this time one sailor was doing something humane."

ence professor in Holland, Michigan. She said the return of her father's remains would be very meaningful, especially for her mother and for Captain Dunham's brother.

U.S. Envoy Will Try To Settle MIA Issue

By Daniel Williams

WASHINGTON — The State Department's top Asia hand will travel to Vietnam next week to press for more information on missing American servicemen with an eye toward laying the emotional issue to rest and opening Vietnam to U.S. business.

The trip by Winston Lord, the assistant secretary of state for East Asian and Pacific affairs, will be an effort to get "the fullest possible accounting" of soldiers missing from the Vietnam War...

tial to lose business "if we delay lifting our embargo fully."

The Vietnamese, he said, have been cooperative on the MIA issue.

"They have been going all-out," Mr. Lord said, calling 1993 "the single best year" in terms of cooperation by Hanoi since the war.

U.S. officials said that Mr. Lord would seek continued cooperation in searching for remains of missing American soldiers...

The Vietnamese have offered financial incentives to citizens who turn in verifiable American remains and have opened an office in Ho Chi Minh City to handle investigations and reports of findings.

Hanoi also recently turned over documents related to the downing of American aircraft, officials said.

Unlike a similar trip in July, Mr. Lord is taking no representatives of veterans groups. The omission is meant to give the visit a working rather than a ceremonial atmosphere, a State Department official said.

Hanoi also recently turned over documents related to the downing of American aircraft, officials said.

Mr. Lord will also visit Japan to discuss ongoing trade talks. Additionally, he will travel to Cambodia for talks on the peacekeeping needs of the nascent government there.



A family in East Sussex escaped after the storm blew a tree into their house. Most of the storm's victims were in Britain.

Gales Lash Across Northern Europe, Killing 14

LONDON — Fourteen people have been killed in storm-related accidents as winds reaching hurricane force left a trail of destruction throughout northern Europe.

In France, the police in Metz said a husband and wife were killed on the highway at the Luxembourg border when strong gusts blew their car off its control.

December, also uprooted power lines, plunging thousands of homes into darkness. Trains deprived of power were left stranded, notably between London and Manchester.

Ten of the victims died in Britain, where gales continued Thursday after a night of winds averaging 120 kph (75 mph), and peaking in some places at 150 kph.

In London, a woman was killed when part of a shop roof collapsed, while in Fermanagh, Northern Ireland, a man died after driving into a tree that had fallen onto the road.

More than 15 cross-Channel ferries to Calais had to be bailed by tugboats into the French port, where power to 15,000 homes was cut and overnight winds reached 140 kph before abating late Thursday.

In the Netherlands, where more than 200 accidents were reported Wednesday night,

two drivers died when their vehicles skidded on ice in high winds and struck trees, the police said. Maritime authorities reported a crewman lost overboard from a Dutch ship in the North Sea.

In Cologne, a 52-year-old janitor was blown off a bank roof and fell 25 meters to his death as the gales battered Germany. He apparently had gone to the roof to repair a flagpole.

With Cold, French Social Conscience Focuses on Homeless

By Marjorie Simons

PARIS — On these wintry nights, when café lights switch off and the city turns inward, Pierre Jeannot can be found at Austerlitz station, waiting for the last train leaving Paris.

On a recent Saturday night, as the air stung with frost, more than 60 homeless passengers boarded the 12:58. With gates open at this hour, they could pass without a ticket.

"They're mostly regulars," Mr. Jeannot said, who is spending his fourth winter on the Etampes train.

likely to appear in statistics, even in this well documented nation.

France was abruptly reminded of its many homeless, its citizens sleeping in doorways, subways, garages and shelters, in recent weeks when at least 10 people were found dead of exposure.

The publicity that followed these deaths, three of them in Paris, has sent the nation into a spell of self-recrimination.

Such bouts of soul-searching, for sure, recur every winter when the cold and the holiday season coincide.

Not that he is going anywhere. The 12:58 A.M. to Etampes is his mobile winter home. He tries to sleep as the train trundles south for an hour, waits at the terminal and returns to Paris before dawn.

Mr. Jeannot and his fellow passengers do not look like tramps or drifters. Relatively well dressed, they offer no easy giveaways, no rags or bulky bags, no aggressive panhandling. Nor is their status

On a drafty pavement along the Seine, an old man dragging a plastic sack looked lost. He declined the sleeping bag now being offered from the relief van. "Oh, no, too big," he said, "how would I carry that?"

Yet, outside the Lyon train station, where street people cluster for warmth, it took just minutes to hand out 100 sleeping bags, most of them scooped up by youngish men and women.

"We know many people sell them again," said Micheline Gourd, a relief worker on the van. "But we can't refuse some and give to others; we can't be judging people."

So he was trapped in a vicious circle requiring money, papers, an address. "No money, no license, no money," he said.

Misfortune had also come suddenly to some homeless on the 12:58 train to Etampes. Aldo Petrone from Naples had been a cook until the restaurant suddenly closed. Mr. Jeannot had been an office worker until he divorced and lost his home and job.

The other night, Mr. Jeannot and the others were on the station more than an hour before departure.

Banker Sentenced in Iraq-Loan Case

ATLANTA (AP) — Christopher Drogoul, the former Atlanta branch manager of the Banca Nazionale del Lavoro of Italy, was sentenced Thursday to 37 months in prison for helping to arrange \$5.5 billion in illegal loans to Iraq before the Gulf War.

Mr. Drogoul originally was charged with masterminding the scheme, but his lawyers argued that he played a minor role in a plot involving the Bush administration and the Italian government. Some of the loans were used by Iraq to build up its military before it invaded Kuwait in 1990.

Mr. Drogoul, 44, pleaded guilty in September to one count of wire fraud and two counts of lying to federal bank regulators. The government subsequently dropped the most serious bank fraud and conspiracy charges. Mr. Drogoul had already served 20 months in prison awaiting trial. That time will count toward the sentence imposed by a U.S. District Court judge, G. Ernest Tidwell.

Correction

An article in the Dec. 2 issue incorrectly described an asset sale by American Telephone & Telegraph Co. to Berg Electronics. Only the connector business of AT&T Microelectronics was sold.

TRAVEL UPDATE

Bonn Plans a Magnetic Train Link

BONN (AP) — The German government has given approval in principle to a super high-speed magnetic train link between Berlin and Hamburg, but has put off a final decision until next year.

If completed, the train would hit speeds of up to 400 kilometers (250 miles) an hour between Germany's two largest cities. Each train would carry up to 332 passengers and take less than an hour for the 284-kilometer trip. It would use an elaborate magnet system to hover slightly above the tracks on its main stretches.

Germany is seeking to take the lead in high-speed rail travel in the hope of making sales to other countries. The cabinet, after it voted Wednesday's said definite approval would have to await a review of strained government finances. A final vote is expected in March, and the system could be in operation in the year 2004.

A strike by French railroad workers severely disrupted train services throughout the country Thursday, with strikers blocking train tracks and protesters demonstrating in front of the state railroad company's headquarters in central Paris. The action by seven trade unions cut services by up to two-thirds nationally and on Paris commuter lines. Only one service was operating normally, the Paris-Lille high-speed TGV train. Two out of three TGVs were operating on the Paris-Marseille and Paris-Bordeaux lines.

Two airlines gave travelers an extra five days to buy tickets in a holiday sale that offers discounts of up to 30 percent. The deadline had been Friday, but Trans World and American extended the date to Wednesday. A Northwest spokesman said the airlines would extend the deadline, but he would not say if it would apply to all domestic routes.

Sweden has provided a \$725,000 grant to research the feasibility of converting the former U.S. Clark Air Base in the Philippines into an international airport, officials in Manila said.

American Airlines has fired nine more flight attendants who took part in a strike last month, saying they had threatened other employees. At least 15 attendants have been fired for strike-related harassment, a spokesman said in Dallas.

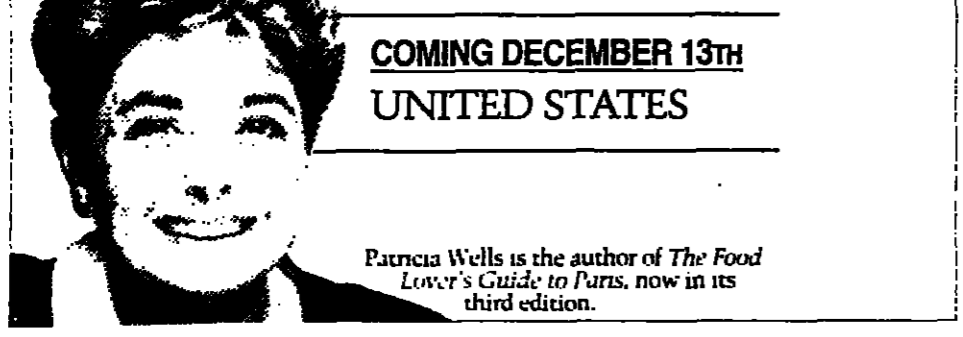
Rate the world's best restaurants with Patricia Wells.

The IHT's restaurant critic has set out on a rare and ambitious gastronomic journey, a search for the 10 best restaurants in the world.

She will be rating, in month-to-month articles, the top restaurants from region to region, and comparing them to one another.

Whether it's the best in dim sum, delicious but secret sushi bars or the finest of French tables, she will guide readers with articles about inexpensive restaurants as well as the grand ones in the world's major cities.

She will also share her tips on how to select quality restaurants in unfamiliar territory.



Don't miss this series. COMING DECEMBER 13TH UNITED STATES

Patricia Wells is the author of 'The Food Lover's Guide to Paris, now in its third edition.'

Boil the Water, Residents Told In U.S. Capital

WASHINGTON — The Environmental Protection Agency has advised people who live and work in the District of Columbia and parts of Northern Virginia to boil drinking water because of possible contamination by a parasite that can cause severe intestinal illness.

The advisory will remain in effect until at least Monday, while officials test for cryptosporidium, a microscopic-size organism that can cause symptoms similar to stomach flu. The parasite, which has not yet been found in any sample of local water, is especially dangerous to the old, young and people weakened by other diseases.

Nearly a million people live in areas affected by the order. The White House has its own water filtration system, and officials said it would not be affected by the alert.

WASHINGTON — The Environmental Protection Agency has advised people who live and work in the District of Columbia and parts of Northern Virginia to boil drinking water because of possible contamination by a parasite that can cause severe intestinal illness.

The advisory will remain in effect until at least Monday, while officials test for cryptosporidium, a microscopic-size organism that can cause symptoms similar to stomach flu. The parasite, which has not yet been found in any sample of local water, is especially dangerous to the old, young and people weakened by other diseases.

Nearly a million people live in areas affected by the order. The White House has its own water filtration system, and officials said it would not be affected by the alert.

Advertisement for Harry's New York Bar, The Oldest Cocktail Bar in Europe, located in Paris, Berlin, and Hamburg.

Advertisement for SECRET CODES, featuring a grid of international dialing codes for various countries.

Advertisement for Sprint, featuring a grid of international dialing codes for various countries and a list of Sprint services.

STATESIDE / COUNTING THE COSTS

★ POLITICAL NOTES ★

In This Revolving Door, There's a Way Back In

WASHINGTON — The former acting army secretary, John W. Shannon, was hired as a high-paid Pentagon consultant by a friend within weeks after he was put on administrative leave because of a shopping arrest, according to the Defense Department.

The Pentagon gave Mr. Shannon a month-to-month contract on Nov. 17 to study Defense Department stock inventories and advise civilian supply officials on what parts and supplies to keep and what to get rid of, said Lieutenant Colonel Stephanie Hoehne, a Pentagon spokeswoman.

Mr. Shannon was hired by James Klugh, a retired army two-star general who is a friend of Mr. Shannon's, and who is now the deputy undersecretary of defense for logistics.

Mr. Shannon will receive about \$7,100 a month, or about \$85,000 if he stays with the project for a year, Colonel Hoehne said. Mr. Shannon had been paid \$125,000 a year as the acting army secretary.

Officially, the Pentagon defended Mr. Shannon's hiring as a smart move to tap the talents of a veteran official experienced in logistics. Privately, though, many Defense Department officials said the hiring appeared to be a case of blatant favoritism and poor judgment.

Mr. Shannon, 59, was appointed acting army secretary, the highest civilian job in the military service, on Jan. 20 and had been serving pending the nomination and confirmation of a new secretary by the Clinton administration.

Mr. Shannon was arrested on Aug. 26 outside the post exchange at Fort Myer, Virginia, after store detectives saw him put a woman's skirt and blouse worth about \$30 into a shopping bag and leave the store without paying. The Pentagon put him on administrative leave the next day.

The authorities dropped misdemeanor charges against Mr. Shannon after he agreed to attend a nine-month shopping prevention program and perform 50 hours of community service. (NYT)

Clinton Defends Aides in Rich New Pastures

WASHINGTON — President Bill Clinton defended two top aides who are resigning to take high-paying lobbying and public relations posts, saying they were not violating his ban on "revolving door" profiteering from government service.

In a wide-ranging Blair House luncheon interview with reporters, Mr. Clinton was asked the "revolving door" question because Roy Neel, his deputy chief of staff, and Howard Paster, head of the White House congressional liaison office, are leaving their posts. Mr. Neel is to become president of the United States Telephone Association, the Washington lobbying office for regional and local phone companies. Mr. Paster is to become president and chief executive of Hill and Knowlton Worldwide, a major public-relations and lobbying firm.

During the 1992 campaign, Mr. Clinton frequently called for restrictions that would end the "revolving door" between government and the influence firms. He said he had taken such steps by extending the length of the ban on former employees lobbying former colleagues and said those restraints would apply to Mr. Neel and Mr. Paster in their new jobs.

But, he said, "I don't think we should discourage people from moving in and out of government. I don't think we should have a permanent government class and a permanent private sector across the divide from each other." (WFP)

Packwood Takes the Fifth Over His Diaries

WASHINGTON — Senator Bob Packwood, Republican of Oregon, cited a Fifth Amendment protection against self-incrimination in responding to the Senate Ethics Committee's lawsuit to compel him to release his personal diaries.

It was the first time that Mr. Packwood, who has previously relied on Fourth Amendment privacy protections, has argued that he should not be compelled to produce the diaries because they could be used against him in a criminal prosecution.

"The constitutional privilege against self-incrimination applies to the involuntary production of private books and papers, and precludes the committee from compelling Senator Packwood to produce his private personal diaries," said Jacob A. Stein, a criminal attorney retained by Mr. Packwood after the Justice Department joined the Ethics Committee in subpoenaing the diaries.

Mr. Packwood's arguments were filed in U.S. District Court, where Judge Thomas F. Jackson was scheduled to hear arguments. The Ethics Committee is investigating allegations that Mr. Packwood made unwarranted sexual advances to more than two dozen women and then tried to intimidate them from telling their stories. The panel contends that it needs the diaries to investigate these and other areas, including a possible violation of criminal law. (WFP)

Quota/Unquots

Fay Clayton, lawyer for the National Organization of Women, asking the Supreme Court to apply the anti-racketeering law to violent opponents of abortion: "We are asking this court to apply the statute as Congress wrote it." (LAT)

Away From Politics

● Dr. Jack Kevorkian has agreed to let doctors examine him in jail because his hunger strike has left him near death, his lawyer said in Pontiac, Michigan. Dr. Kevorkian, 65, has refused to eat since he was jailed Nov. 30 on charges of assisting in a suicide. He is taking only water and vitamins.

● A proposed coal contract would assure United Mine Workers jobs even at nonunion mines, and could bring more cooperation to a historically contentious industry. An estimated 60,000 UMW members who would be covered by the agreement will vote on it next week. Approval would end a strike by 17,500 miners in seven states.

● A witness at the World Trade Center trial who had failed to recognize two defendants in court while testifying for the prosecution in the bombing-conspiracy case changed his mind the next day and pointed out one of them while under cross-examination in New York. Asked later by a prosecutor if he had had a better chance to look around the courtroom after his misidentification, the witness, Willie Hernandez Moosa, picked out the other defendant.

● Seriously ill patients now have the right to instruct paramedics in San Francisco not to resuscitate them if they collapse and stop breathing, under a policy approved unanimously by the city's health commissioners. Patients can leave a do-not-resuscitate form with family members or a doctor and wear a medical bracelet instructing paramedics not to resuscitate them.

● Under economic and political pressures to overhaul health care, two prestigious teaching hospitals in Boston, the Brigham and Women's Hospital and the Massachusetts General Hospital, said that they had agreed to merge. AP, NYT, Reuters

INTERESTED IN THE INTERNATIONAL REAL ESTATE MARKET?

THE REAL ESTATE MARKETPLACE

EVERY FRIDAY IN THE IHT FOR:

WORLDWIDE REAL ESTATE FOR SALE

REAL ESTATE CONSULTANTS

REAL ESTATE INVESTMENTS

LUXURY HOMES & ESTATES

VACATION RENTALS



FIREMAN BILL — Mr. Clinton checking Ilana Kattan, 6, to make sure she was all right after her hair was singed by a candle during a White House ceremony marking the Jewish festival Hanukkah.

President's Rising Fortunes

WASHINGTON — With a pair of legislative successes, President Bill Clinton's standing with the American public is moving sharply upward, according to a poll released Thursday.

Following the administration's victories on the North American Free Trade Agreement and the passage of the Brady gun control bill, as well as some public acknowledgment of an improving economy, 63 percent of Americans now view Mr. Clinton as a president who can get things done, while only 27 percent do not, according to the survey by the Times Mirror Center for People and the Press.

In August, by comparison, only 36 percent of Americans considered Mr. Clinton effective, compared with 54 percent who did not.

The survey, based on interviews with 1,479 adults from Dec. 2-5, has a margin of error of plus or minus 3 percentage points.

Mr. Clinton's improved standing seems tied directly to his recent legislative victories, more than to any improvements in the economy, the poll found. A growing 39 percent of Americans, for instance, said they had paid very close attention to the coverage of NAFTA, which will end most trade barriers among Canada, Mexico and the United States, up from 21 percent in October. And 37 percent said they paid close attention to passage of the gun control legisla-

tion, which would mandate a five-day waiting period for handgun purchases.

Similarly, a majority of Americans now can attribute a specific achievement to Mr. Clinton. Twenty-one percent mentioned health care; 19 percent, the trade agreement; 8 percent, the Brady bill.

The health care issue continues to help the president significantly.

Forty-five percent of respondents said they were paying close attention to the debate over the Clinton health care plan. Support for the plan itself is also rising. The survey found an approval rate of 49 percent, up from 41 percent in October, and just slightly less than the 53 percent after Mr. Clinton's September speech to a joint session of Congress.

The key factors cited by those who support the plan are that it would ensure health security and universal access (42 percent now, 43 percent in September) and that it would change a health care system that does not work (20 percent now, 21 percent in September).

Opponents, who primarily based their objections on their belief that the plan will not save money, also are more worried now about government involvement (18 percent, up from 8 percent in September).

Overall, according to the poll, 48 percent of Americans approve of Clinton's handling of his job — up from 44 percent in October — while 36 percent do not. Sixteen percent were undecided.

Clinton Health Plan Adds Up Independent Analysis Delights White House

By Spencer Rich

WASHINGTON — The proposed financing system for President Bill Clinton's national health plan is basically sound, according to an independent research group that included officials of the Reagan administration.

"If the question is whether they can finance this program with the revenues they will get under their plan, the answer is yes, and they will still end up with \$25 billion for budgetary deficit reduction," said Lawrence S. Lewin, chairman of Lewin-VHI, which conducted the study. "It meets the president's requirement of providing universal coverage, and it does so without relying on an increase in broad-based income taxes."

"Our funding estimates are in the same ballpark as theirs," said Robert J. Rubin, assistant secretary of the Department of Health and Human Services in the Reagan administration and now president of Lewin-VHI, which conducts studies to determine the costs of various health programs. Don Moran, a former top official of the Office of Management and Budget Director during the Reagan era, also worked on the report.

The Clinton administration greeted the study with delight. For months it has been battered by assertions from congressional Republicans and from groups representing businesses and providers of medical services that the financing mechanism for the president's health plan could result in huge unfunded and perhaps a need for new taxes and premiums far beyond what the White House has estimated.

Even some Democrats who favor the plan have questioned some of the numbers.

Alice M. Rivlin, deputy director of the Office of Management and Budget, said that the study "essentially verifies our estimates and the soundness of the financing for our proposal." She said the report confirmed that the plan would reduce the deficit from 1995 to 2000.

In addition to its broad finding that the financing structure works, the study, released Wednesday, also found that:

● Health insurance premiums under the president's plan in 1998, used as an example year, would be about 17 percent higher than the administration estimated, requiring more federal premium subsidies for businesses and poor individuals. In 1998, employers (primarily small companies that do not now insure their workers) would pay a net of \$28.9 billion more for health care than under current law because of the requirement that they provide insurance to their workers, but households would pay a net of \$26.5 billion less because the government and employers would be picking up much more of their costs. The extra pay-

ments by employers would gradually drop as cost controls took effect.

● The plan's cost controls eventually would slow the growth of health spending. By 2000, it would account for 18 percent of gross domestic product instead of the 18.7 percent figure expected under current conditions, a savings of \$57 billion.

The study, conducted primarily by John Sheils, vice president of Lewin-VHI, was financed by the company itself, Mr. Lewin said.

Mr. Lewin, Mr. Rubin and Mr. Sheils all emphasized strongly that no study of an untested new system can be taken as an absolute prediction or guarantee that the plan will work as envisioned.

Mr. Lewin said the findings were based on their best estimates and on the assumption, which could be optimistic, that the states, Congress, the proposed national health board and all others would have "the political will" to adopt and enforce difficult aspects of the president's plan. That would include requiring all employers to insure their workers and limiting insurance-premium increases.

GRAND HOTEL PARK
GSTAAD

SWITZERLAND

Fitness & Aqua-Club, saltwater pool, tennis, beauty center, fango & massage center, relaxation center, conference and bridge rooms, first class cuisine in 3 restaurants.

Phone 01141/30/8 33 77
Fax 01141/30/4 44 14

For this holiday season Ilias Lalaounis presents an elegant ensemble in 20 - 22 kt gold inspired by MYCENEAN ART.

Ilias LALAOUNIS

ATHENS - PARIS - GENEVA - ZÜRICH - LONDON
NEW YORK - TOKYO - HONG-KONG - ST. THOMAS

FIDELITY FRONTIER FUND
Société d'Investissement à Capital Variable
Kansallis House, Place de L'Etoile
L-1021 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY FRONTIER FUND, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de L'Etoile, Luxembourg, at 11:00 a.m. on Thursday, December 30, 1993, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1993.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamilius and H. F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended August 31, 1993.
8. Proposal, recommended by the Board of Directors, to amend Article 16 of the Fund's Articles of Incorporation in its entirety, principally in order to delete the specific limitations in the nature of investment safeguards and to delete the description of certain of the powers of the Board of Directors set forth therein and to substitute more general language in order to provide greater discretion to the Board of Directors in determining the Fund's investment safeguards and permissible investments, and to describe more generally the Board's authority to manage the Fund's business, subject to the requirements of Luxembourg law and regulation. Copies of Article 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
9. Proposal, recommended by the Board of Directors, to amend the Fund's Investment Management Agreement with Fidelity International Limited ("FIL") by adding a new Section 16 to specify the basis on which FIL, as Investment Manager, may delegate, with the Board's consent, FIL's responsibilities in respect of portfolio management for the Fund, and to amend Section 10 of the Agreement to state the responsibility of FIL for such delegate's actions pursuant to such delegation. Copies of Sections 10 and 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
10. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Approval of item 8 of the agenda will require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting at which a majority of the outstanding shares must be present or represented; if a quorum is not present, then at an adjourned session of the Meeting, approval of item 8 shall require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Approval of item 9 of the Agenda, including at any adjourned session of the Meeting, will require the affirmative vote of a majority of the shares present or represented at the Meeting at which a majority of the outstanding shares are present or represented.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: November 29, 1993

BY ORDER OF THE BOARD OF DIRECTORS

Fidelity Investments

FIDELITY ORIENT FUND
Société d'Investissement à Capital Variable
Kansallis House, Place de L'Etoile
L-1021 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY ORIENT FUND, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de L'Etoile, Luxembourg, at 11:00 a.m. on Tuesday, December 28, 1993, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1993.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamilius and H. F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Proposal, recommended by the Board of Directors, to amend Article 16 of the Fund's Articles of Incorporation in its entirety, principally in order to delete the specific limitations in the nature of investment safeguards and to delete the description of certain of the powers of the Board of Directors set forth therein and to substitute more general language in order to provide greater discretion to the Board of Directors in determining the Fund's investment safeguards and permissible investments, and to describe more generally the Board's authority to manage the Fund's business, subject to the requirements of Luxembourg law and regulation. Copies of Article 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
8. Proposal, recommended by the Board of Directors, to amend the Fund's Investment Management Agreement with Fidelity International Limited ("FIL") by adding a new Section 16 to specify the basis on which FIL, as Investment Manager, may delegate, with the Board's consent, FIL's responsibilities in respect of portfolio management for the Fund, and to amend Section 10 of the Agreement to state the responsibility of FIL for such delegate's actions pursuant to such delegation. Copies of Sections 10 and 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
9. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 6 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Approval of item 7 of the agenda will require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting at which a majority of the outstanding shares must be present or represented; if a quorum is not present, then at an adjourned session of the Meeting, approval of item 7 shall require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Approval of item 8 of the Agenda, including at any adjourned session of the Meeting, will require the affirmative vote of a majority of the shares present or represented at the Meeting at which a majority of the outstanding shares are present or represented.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: November 29, 1993

BY ORDER OF THE BOARD OF DIRECTORS

Fidelity Investments

Israel-PLO Pact's Hard Road Tempers U.S. Euphoria

By Elaine Sciolino
New York Times Service

CAIRO — After heralding the Israeli-Palestinian peace agreement in September as a historic blueprint for Palestinian self-rule, the Clinton administration is now calling it a document with loose ends for which the United States bears only limited responsibility.

Granted, the United States remains enthusiastic about the breakthrough between Israel and the Palestinians and has not weakened its resolve to see it put into practice.

But the euphoria that swept away President Bill Clinton — and much of the rest of the world — when the Palestine Liberation Organization chairman, Yasser Arafat, and the Israeli prime minister, Yitzhak Rabin, shook hands at the White House on Sept. 13 has evaporated as reality has set in just how difficult it will be to make the agreement work.

NEWS ANALYSIS

Part of the problem is that the accord, a patchwork of paragraphs taken from earlier American draft texts, statements of Israeli and Palestinian negotiators and bridging proposals from Norwegian interlocutors, has holes.

The Palestinians and Israelis are divided on major security issues that both sides want resolved before Israel withdraws its troops, a process that is supposed to begin Monday. Typical of the agreement's shortcomings is that it never stated whether the West Bank town of Jericho, which is to be under

Palestinian rule, should be 10 square miles (26 square kilometers), as the Israelis insist, or 150 square miles, as the Palestinians insist, or somewhere in between.

In more than three decades of reaching international agreements, Secretary of State Warren M. Christopher has gained a reputation as a negotiator obsessed with detail. The accord that he negotiated in Algiers freeing American hostages in Iran in the early part of its revolution is airtight, for example, and is considered by legal and Middle East scholars as a diplomatic feat in which Americans conceded little and yet the Iranians did not lose face.

So it is not surprising that Mr. Christopher's aides describe him as frustrated when he looks at the Israeli-Palestinian declaration of principles, which tends to be long on flourish and short on precision.

Both Mr. Arafat and local Palestinian leaders implored Mr. Christopher this week to intervene directly to help resolve their problems with the Israelis, a role that Mr. Christopher rejected. Rather, he has embraced the position put forward by the Israelis: This is our agreement, and these are our security problems, and we do not need outsiders to help us work them out.

Hanan Ashrawi, a senior Palestinian official who attended the meeting with Mr. Christopher in East Jerusalem on Tuesday, said in an interview that he had told her group frankly that the United States did not formulate the agree-

ment and could not be put in the position of interpreting parts of it. Face-to-face talks between the two sides, Mr. Christopher said Wednesday, were the best way to resolve "any questions that they have about interpretations of the declaration of principles." His role on the security issues, he suggested, was that of senior counselor, nothing more: "To try to urge them to meet regularly, to try to resolve the questions, to keep on the timetable that they've set."

Mr. Christopher also disputed Mr. Arafat's declaration in Bonn on Tuesday that the date of Dec. 13 for starting to carry out the accord was "sacred," saying it was better

to get the agreement right than to get it started on time. Asked whether a short delay would pose a problem, Mr. Christopher said no.

"If the two parties would agree that we need a few more days or whatever period of time to work out some existing problems and definitions to give precision to the declaration of principles, the United States would not have an independent judgment that that was adverse."

"It's important to get it right and not to leave additional problems presented for the parties as they look down the road, and I think that's what's happening now."

Latest Victim: Farmer, Father of 6

The Associated Press

TURMUS AYYA, Occupied West Bank — A Palestinian farmer plowing a field was ordered off his tractor and shot to death Thursday by an Israeli extremist, villagers said. A Jewish settler was stabbed and wounded in the Gaza Strip.

The violence occurred as the occupied lands were shut down by a general strike called by the PLO to mark the sixth anniversary of the Palestinian uprising.

The escalating warfare, much of it between Jewish settlers and Palestinian militants, is threatening to derail the PLO-Israel peace process only days before an autonomy accord is scheduled to start.

Since the autonomy pact was signed Sept. 13, 38 Palestinians have been killed in confrontations with Israelis while 14 Israelis have died at the hands of Palestinians.

Israeli troops were to begin leaving Monday, with full autonomy to take effect in the Gaza Strip and Jericho on the West Bank by April.

Khamis Mohammed Rashid Abu Awad, 52, a father of six, was shot and killed while plowing a field near the Israeli settlement of Shiloh 31 kilometers (19 miles) north of Jerusalem, relatives said. Mordechai Gur, deputy defense minister, said

"all the might of the law" would be brought against the killers.

"As the agreement progresses support for it will grow, but without a doubt we have to be prepared for private terrorists, new terrorists and old groups," he said Thursday while touring settlements in Gaza.

Villagers said the shooting was witnessed by a woman, 65, who was with Mr. Abu Awad. According to her account, an Israeli armed with a pistol and accompanied by a dog approached the farmer, ordered him off his tractor and shot him at close range.

"My father told him that we are neighbors, and we have peace with you, but he still killed him," said his daughter Nahil, 32.

Jewish settlers have attacked Arab-owned cars and blocked roads in reprisal for attacks on Israelis.

In the Gaza Strip settlement of Qatif, Ori Menashe, who recently immigrated from India, was stabbed in the back and lightly wounded as she worked in a greenhouse, said Dayra Hershkovitz, a settler spokeswoman.

A witness said two Palestinians were seen fleeing the area.

Ex-French Culture Chief Ousted From Parliament

Reuters

PARIS — Jack Lang, the former culture minister, was stripped of his seat in the French parliament on Thursday for campaign overspending.

The Constitutional Council declared the Socialist, 54, "ineligible and decided his immediate resignation" from his seat.

The council said Mr. Lang's campaign expenses exceeded the legal ceiling of 500,000 francs (\$85,500) by 90,000 francs.

Mr. Lang, who served for 10 years as minister of culture and education and as government spokesman, was returned to the National Assembly in March in the elections that ousted the Socialists from power.

His rightist rival in the Loire-et-Cher constituency trailed by 1,700 votes in the final runoff round which Mr. Lang won by 51 percent. The council banned Mr. Lang from running in any election for 12 months from last March.

Mr. Lang said Thursday he would use the setback as "a springboard for a new fight" and would soon be back in politics and contesting elections.

To subscribe in Germany
just call, toll free,
0130 84 85 85

ADVERTISEMENT

ADVERTISEMENT



Forget your preconceptions about hotel restaurants when you stay at the newly renovated Trianon Palace — Les Trois Marches is presided over by a top French chef.

Royal Cooking With a Country Touch

It's been a rough day at the Trianon Palace. Business meetings all morning, followed by lunch with the boss. A busy afternoon included a facial massage and mud bath at the spa, a haircut, a swim and a stroll in the park. You've even been treated with Dr. Deborne's "biological cure" to counteract the effects of aging. You're almost too tired to eat, but you're ravenous. Luckily, you had the foresight to reserve a table at Gérard Vié's Michelin two-star restaurant, Les Trois Marches.

Mr. Vié's first restaurant, also named Les Trois Marches (meaning "three steps," because that's how many it had), had already been awarded two Michelin stars before moving into the newly renovated Trianon Palace hotel in Versailles, and quickly earned them back after the move.

Mr. Vié, a native of Southwest France, is an advocate of "cuisine de terroir," or back-to-the-earth cooking. The results are simple but exquisite. His menu stresses natural ingredients, and he makes creative use of *abats*, or giblets. Typical Southwestern



The elegant dining room overlooks the gardens.

dishes, such as a savory cassoulet made with Couiza sausage (from Mr. Vié's hometown), are featured on the menu, and foie gras appears often in unexpected combinations: *les belons tièdes au foie gras de canard à la vapeur d'algues*, (warm Belon oysters with duck foie gras cooked with seaweed), or a flan made of duck foie gras served with oysters and lobster. Purists can order a whole duck foie gras served with pepper.

Shellfish are liberally represented on the menu as well — everything from a simple, fresh roasted lobster served with a potato pancake and mixed salad to crawfish with spices, figs and pickled tumpis.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Heidi Ellison, a free-lance writer based in Paris. • This is the final installment of a four-part series on the Trianon Palace.

One of Mr. Vié's most acclaimed dishes is *le pigeon mijoté "route des épices"*. This is pigeon slow-cooked in spices, with its legs baked in a pie crust, served with a dried apricot and walnut cake. There is also duckling cooked slowly in Madeira.

More familiar dishes include *selle d'agneau* (rack of lamb), various fish in season, duckling roasted in cider and honey, and *filet de boeuf* served with morels stuffed with marrow.

Many of the vegetables and herbs served in the restaurant come fresh from the kitchen garden that diners can see from their tables through the floor-to-ceiling windows. Beyond the garden is a view of the Versailles gardens and flocks of grazing sheep, which might make some diners resist the temptation to try the rack of lamb. Apropos, Mr. Vié is currently developing a vegetarian menu.

The next course, "*Le Chariot de Fromages*," is truly impressive because it is not just one cheese cart but three, carrying nearly 100 varieties of the best French cheeses, from mild fresh goat cheese to the most pungent Epoisse.

Now for dessert. In addition to changing daily specials, they include spice cake; a fruit tart that changes according to the season; a *millefeuille* with vanilla cream, served with a fruit and vegetable salad; *les douceurs au chocolat*, a chocolate-lover's paradise; and pears roasted in cassis and served with pepper ice cream, an unusual but delectable treat.

Diners can't sit back and relax after the dessert course — there are still decisions to be made. The coffee menu offers a choice of Jamaican, Costa Rican, Panamanian, Haitian, Ethiopian, Mocha or Kenyan coffee, as well as the special house blend called *La Broche des Trois Marches* and a decaffeinated Arabica, all supplied by the famous Parisian coffee purveyors Verlet. There is also a wide choice of teas, including herbal varieties.

It is noted on the coffee menu that in Versailles in 1669 the ambassador of the sultan of Turkey offered a cup of coffee, hitherto unknown in the West, to Louis XIV.

TRIANON PALACE
VERSAILLES
A member of The Leading Hotels of the World
1, boulevard de la Reine - 78000 Versailles
Telephone: (1) 30.84.38.00
Telex: 698.863 Telefax: (1) 39.49.00.77

Guests get to choose not only their coffee at Les Trois Marches, but also their water. The mineral water menu lists 11 varieties, including Chateldon, a sparkling water that Louis XIV himself drank.

The water list was created by the Trianon's chef sommelier, Noël Bajor, who has put together an impressive wine list with nearly 960 appellations, ranging from a very pricey 1918 Chateau d'Yquem to more recent vintages at moderate prices. Mr. Bajor and the maître d'hotel, Jean Alexanian, better known to guests as Monsieur Alex, provide a warm welcome to diners, and service in general is attentive, relaxed and cheerful.

Les Trois Marches is not the only restaurant at the Trianon Palace. In the new Trianon hotel, the Fontaine brasserie, whose menu was created and is supervised by Mr. Vié, is a traditional French brasserie with a wide selection of oysters and other shellfish as well as such specialties as *choucroute* and excellent steaks.

The brasserie's Christmas menu, served on Dec. 24 and 25, costs a reasonable 250 francs (not including drinks) and features oysters, roast turkey with chestnuts and, of course, the traditional *bûche de Noël* (Christmas log), among other delicacies.

Another 250-franc menu will be offered on New Year's Day. On New Year's Eve, 890 francs gains admission to a festive evening of dining and dancing, with wine and champagne included.

For dieters, Mr. Vié's dietetic menu, developed in collaboration with Dr. Claude Gerbulet, provides a satisfying, nutritionally balanced and highly flavorful daily menu that totals only 1,300 calories per day. Diets can be tailor-made to a guest's personal needs with the assistance of a dietician and a computer. The dietetic menu is available in *Le Mansart*, the poolside restaurant, or in the main dining room.



Gérard Vié specializes in "cuisine de terroir."

Fit for a King

In conjunction with the current exhibition on European royal table settings at the Chateau de Versailles, "Versailles et les Tables Royales en Europe," chef Gérard Vié has created a series of royal menus that change weekly and are available at his restaurant, Les Trois Marches, in the Trianon Palace. The menus are authentic re-creations of recipes of the period concerned. Through Dec. 15, Mr. Vié is presenting the Menu Madame du Barry, which includes a warm pheasant pâté, a pike stew with herbs, chicken with crayfish, a warm chocolate tart and ice cream with orange liqueur. From Dec. 15 to Dec. 28, the Menu Eugénie highlights chicken with foie gras and truffles, and from Dec. 28 to Jan. 16, a Russian New Year menu features such Slavic specialties as borscht, venison marinated in paprika, and halvah. A table with period settings is on display at the restaurant. Each one is a meal fit for a King.

BOOKS

WHAT THEY'RE READING

• Klaus Kinkal, Germany's foreign minister, is reading Amos Oz's "A Perfect Peace" in the German translation.

"It is a wonderful novel about the eternal quest of man for inner peace, satisfaction, love and the meaning of life. And all this takes place in an Israeli kibbutz."
(Michael Kallenbach, IHT)



STEVE JOBS AND THE NEXT BIG THING

By Randall E. Stross, 374 pages, \$24. Atheneum

Reviewed by David Nicholson

IN this exhaustive, and acerbic, case study of a towering ego, a flawed product and repeated failures to objectively assess market conditions, Steve Jobs comes across as a kind of Orson Welles cum P. T. Barnum, "a snake-oil salesman or a bona fide visionary."

In the end, however, the portrait of Jobs by Randall E. Stross, a professor of international business at San Jose State University, is so bleakly unflattering that one wonders how Jobs ever managed to achieve his initial success.

Co-founder of Apple Computer Company, Jobs helped bring about the personal computer revolution in the United States and profited handsomely from it. In 1982, at only 27, he was listed among Forbes magazine's 400 richest Americans, with some \$100 million in Apple stock. Three years later, Jobs was forced out of Apple.

Like Welles, Jobs had achieved incredible success early. The question was whether it had been due to his genius or simply to the luck of having been in the right place at the right time. Could he repeat it? As Stross has it, "Cast out of the company that he had poured his soul into for eight years," Jobs "could think of little else but proving his ungrateful tormentors at Apple wrong. He would do so by building another computer company."

That computer company was called NeXT, and its West Coast mission was "to build computers that change the world and that our friends can afford to buy; to build a great company, so exciting and fulfilling that we can't wait to come to work in the morning."

As Jobs envisioned it, the NeXT computer would be a powerful workstation, with a large monitor capable of displaying crisp, clear graphics, a powerful microprocessor and massive storage. Initially targeted for universities — Apple had achieved its initial success with its Macintosh in the university market — the NeXT was to cost \$3,000 or less. University officials had told him they would pay no more for it.

Despite investments by Ross Perot, Stanford and Carnegie Mellon universities and, later, Canon, Jobs couldn't do it. The first model of the computer was comparatively underpowered and, worse, cost \$7,000 in a stripped-down configuration, more than twice as much as the universities would pay.

What seems clear, according to Stross's account, is that Jobs cared more for appearances than for the

reality. Early on, he spent \$100,000 — paid in advance and for a single design — for the NeXT computer logo. One of the first NeXT employees was an interior designer, hired to plan the gutting and rebuilding of the company's offices. The machine itself was to be housed in a black cube made of magnesium, but there were many technical problems in making the one-foot cube perfectly square and bluish-free. NeXT spent nearly \$1 million on molds and a stamping machine to remove the imperfections the molds left.

Stross lays the blame for all of this squarely on Jobs. He was, Stross writes, "myopic" and "an unapologetic snob." Instead of pursuing a partnership with Microsoft's Bill Gates, Jobs alienated him, thus ensuring that there would be little software for the NeXT once it finally came to market. Inside the company, Stross depicts Jobs as a poor manager, alternately encouraging and bullying his employees, fostering dissension instead of cooperation and involving himself in the smallest details instead of looking at the big picture.

In the end, it didn't work. NeXT sold only about 50,000 computers, and lost millions of dollars. This year NeXT officials announced the layoff of hundreds of employees and said that the company would no longer manufacture and sell the NeXT computer. Instead, it would adapt its NeXTSTEP software for IBM-PC compatible computers.

"Steve Jobs and the NeXT Big Thing" is thorough and exhaustive and might well serve as a textbook for a course on how not to design and market a new computer. But as comprehensive as Stross's account is, Jobs remains an enigma. Stross talked to many former NeXT employees, but Jobs himself declined to cooperate, and the result is that readers are left with little sense of the man. Worse, the book begs the question: If Steve Jobs is so bad, how did he succeed at Apple in the first place?

For all the mistakes Jobs made at NeXT, and Stross documents many, it seems likely that Jobs started the company with one fundamentally wrong assumption. The market didn't want, or need, another personal computer, especially one that was incompatible with the IBM-PC and the Macintosh. Jobs began his career in the wild and woolly days of the personal computer industry when it was still possible for one person, or company, to dominate it. Things had already started to change when he left Apple to start NeXT, and Jobs's biggest mistake was not to realize how much they would continue to.

David Nicholson is a regular reviewer for *The Washington Post*.

BRIDGE

By Alan Truscott

THERE are many ways to learn a bridge. You can sit down at the table and hope for the best, which is not recommended. You can read a book. You can watch experts. You can take a group lesson. Best of all perhaps, though involving some financial outlay, is to have a one-table group and an instructor. One of many such groups is taught in Brooklyn by Arnold Roemer, who reports the diagrammed deal from it. North and South were Shoulie Thiele and Eliane Eini, and East and West were Stella Dana and Aida Håsson.

After a third-seat opening of one club, South made a take-out double and then bid one spade, showing a hand too strong for a simple overcall. South bid game, expecting to find any missing kings on her right. A club was led to the ace and a diamond was returned. South finessed, and was disappointed when West produced the king.

A diamond was returned, when South won she faced the problem of avoiding a trump loser and an eventual heart loser. It was now clear that East held the spade king.

which was good news, and the heart ace, which was not.

South cashed her club king and led a heart to the queen. When East won and returned a diamond, South ruffed her own ace to reach the dummy and took a winning spade finesse. Finally she crossed to the heart king, threw her heart loser on the club queen, and repeated the spade finesse to make her game.

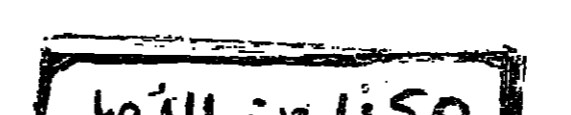
NORTH
♠ 884
♥ K Q 9 4
♦ Q 8 6 3
♣ A 10 7 2
EAST
♠ K 9 3
♥ A 7
♦ 9 8 6 2
♣ A 9 5 4

WEST (D)
♠ 10 5
♥ J 8 2
♦ K 10 7 4
♣ 10 7 2
EAST
♠ K 9 3
♥ A 7
♦ 9 8 6 2
♣ A 9 5 4

Neither side was vulnerable. The bidding:
West: 1♣ — North: 1♦ — East: 1♥ — South: 2♣ — West: 3♣ — North: 3♦ — East: 3♥ — South: 4♠ — West: 4♠ — North: 4♠ — East: 4♠ — South: 4♠ — West: 4♠ — North: 4♠ — East: 4♠ — South: 4♠

Herald Tribune
LIVING IN THE U.S.?
NOW PRINTED IN NEW YORK
FOR SAME DAY DELIVERY IN KEY CITIES
TO SUBSCRIBE, CALL
1-800-882-2884
(IN NEW YORK, CALL 212-752-3890)

TO OUR READERS IN BUDAPEST
Hand delivery of the IHT is now available on the day of publication.
Call today: 161-3068



Yeltsin's Cabinet Fragmenting Into Hostile Factions

By Margaret Shapiro
Washington Post Service

MOSCOW — When Russia's hard-line parliament disappeared into history last fall, so it turns out, did the glue that held together President Boris N. Yeltsin's reformist bloc.

With Russia's first multiparty elections just a few days away, Mr. Yeltsin's cabinet has broken into so many political blocs contending for power that Communists, ultranationalists and other opposition parties now are gleefully predicting they could wind up holding the balance of power in the new parliament thanks to the warfare within the Yeltsin camp.

Prime Minister Viktor S. Chernomyrdin felt compelled recently to assert that the government was able to function.

"It would be really hard to work if we all sang one tune," the prime minister said, putting the best face on what cabinet members have privately said are less-than-amicable government get-togethers. "This is like a model for a coalition government."

But the reality is that more than a dozen cabinet members, including several deputy prime ministers, the foreign minister, the justice minister and Mr. Yeltsin's chief of staff, are running for seats in the new bicameral parliament that will be elected Dec. 12 — many of them against each other.

Televized coverage of cabinet meetings shows a host of polite smiles barely concealing what insiders say is growing animosity as election day approaches.

More important for Mr. Yeltsin and the movement for change, a combination of policy differences and political ambitions have foiled all attempts to create a unified slate or reduce the number of cases in which so many reformers are battling for a seat that the anti-Yeltsin candidate is likely to win.

"I'm not even convinced that the democrats altogether will get a majority, which would be extraordinarily said," said Mr. Yeltsin's military adviser, Dmitri Volkogonov, who is running as a candidate of the largest pro-change party, Russia's Choice. He blamed "personal ambition" of various political leaders for having prevented the formation of a broader reform coalition.

This is Russia's first truly democratic electoral contest and it is clear that no one expects it to be the last. Many of the reformers running for office are eyeing future races, including bids for the presidency, and therefore have little interest in merging their parties.

Some pro-Yeltsin politicians have argued that the splits in their ranks could have been avoided if Mr. Yeltsin had stepped into the campaign and picked one party as his own. But he has chosen to stay out so far, focusing instead on winning passage of a new constitution that would enshrine Western-style democracy and also greatly strengthen his powers. A presidential spokesman recently said Mr. Yeltsin was determined to be leader of all Russians and not just of one political party.

But the problem is not solely one of ambition. In just the few short weeks of the campaign, policy differences have emerged among the erstwhile reformist allies over the pace of economic change, the role of the state and relations with the West.

Most of the cabinet members running in Sunday's election have allied themselves with Russia's Choice. The party was founded by First Deputy Prime Minister Yegor F. Gaidar, 37, the radical economist who brought "shock therapy" to Russia two years ago. It includes in its ranks Foreign Minister Andrei V. Kozyrev, Finance Minister Boris G. Fyodorov, five other ministers and a host of top presidential advisers.

Not surprisingly, Russia's Choice is seen as a quasi-official ruling party, despite Mr. Yeltsin's aloofness. It has become the focal point for attacks on the status quo by all other parties, hard-line and reformist. Still, most polls have shown Russia's Choice leading the pack, although with steadily declining strength since its glibly opening convention nearly two months ago.

Several other ministers have allied themselves with the Party of Russian Unity and Accord created by Deputy Prime Minister Sergei M. Shakhrai, a key legal aide to Mr. Yeltsin who has already declared his intention of running for president when Mr. Yeltsin retires.

When the party organized two months ago, Mr. Chernomyrdin was said to be backing it and ready to run on its slate. Mr. Yeltsin apparently blocked that move when he told him that the prime minister's post was not compatible with participation in an electoral campaign.

While Mr. Shakhrai was once an ally of many of those now in Russia's Choice, his party now espouses a slower pursuit of free-market changes, with more state support for industry, and it champions the rights of regional authorities to have a greater say in governing Russia. Mr. Shakhrai has said his party will not go along with the "radicalism" of the past two years. Centrist parties opposing Mr. Yeltsin's changes hope to persuade Mr. Shakhrai to ally with them in the new parliament.

The pro-change party that polls have shown posing the main challenge to Russia's Choice is the bloc formed around the economist Grigori A. Yavlinsky, who made his name as a reformer in 1990 when he drafted an ambitious "500-day plan" for transforming the Soviet economy.



Mourners huddling next to a wall for protection from sniper fire at a Muslim funeral in a Sarajevo cemetery. The cemetery is in full view of nearby Serbian positions less than 1,000 meters distant.

8 Civilians Die in Sarajevo Fighting

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Shelling and sniper fire from besieging Bosnian Serbs killed eight civilians and wounded 16 in Sarajevo on Thursday, after heavy fighting overnight in and around the Bosnian capital, UN and hospital sources said.

Bill Aikman, spokesman for the United Nations Protection Force, said the situation had become unstable for the first time in several days.

Hospital sources said three mortar shells fell on a crowded market in the western district of Cengic Vila, killing four persons and wounding four.

The other casualties were from shelling or sniper fire in various parts of the capital.

The Bosnian Serbs bombarded the capital with about 270 shells overnight, most of which fell on front-line areas, while the mainly-Muslim Bosnian Army fired 46 shells, Mr. Aikman said.

In Belgrade, mediators scrapped tentative plans to reconvene a meeting of the three warring parties this weekend after talks with Serbian leaders, their spokesman said.

Lord Owen and Thorvald Stoltenberg, the European Community and United Nations peace envoys, decided instead to try for talks in the week beginning Dec. 20, a spokesman said.

Bonn Links Pair To Neo-Nazi List Of Attack Targets

BONN — The federal prosecutor's office named on Thursday two men it believed were behind a neo-Nazi list of anti-racist activists targeted for attacks.

It said the two men in Mainz were suspects in its investigations into the list, which surfaced last week in an extreme-right magazine, Der Einbliek.

One of those named, Sascha Chaves, 20, was already due to appear in court on Dec. 16 on charges of inciting racial hatred by running a neo-Nazi telephone information service. The prosecutor's statement named Michael Petri, 21, as the second suspect.

Police officers raided the two men's homes overnight and left open the possibility that others helped create the list, which contains about 250 names, addresses and even license plate numbers of anti-racism activists.

A Political Prisoner in China Is Denied Visits for a Year

BEIJING — Chinese authorities have ordered a one-year suspension of visiting privileges for a well-known political prisoner, his family said Thursday in an appeal for officials to follow their own regulations.

The move appeared meant to punish the family for drawing international attention to Liu Gang's case when it smuggled out a 16-page letter from him early this year. In it, he described being beaten, tortured, denied normal food rations and held in solitary confinement.

The family of Mr. Liu, 32, from northeastern Jilin Province, was in Beijing this week seeking a meeting with the Justice Ministry to protest the ban on visits and other alleged abuse suffered by the dissident and his family.

"We intend to use legal means to protect our rights and our dignity," the family said in a statement. "We

appeal to China's judicial organs to immediately put a stop to the illegal and repulsive actions by the responsible officials of the Lingyuan No. 2 Labor Reform Detachment."

Mr. Liu, a former physics graduate student, was sentenced to a six-year term for his leading role in the 1989 movement for democracy.

China's Threat on Hong Kong Official Hints at Readiness to Undo Reforms

BEIJING — Foreign Minister Qian Qichen said Thursday that China must begin working on arrangements for Hong Kong's first post-1997 legislature now that Chinese-British talks have deadlocked.

The statement was an implicit threat to dismantle any British-made political changes that are put in place without China's consent before the colony reverts to Chinese sovereignty in 1997.

Mr. Qian said his move was in response to Governor Chris Patten's announcement last week that he announced unilaterally to implement some of his proposals to broaden voter participation in Hong Kong elections next year and the year after.

"Under such circumstances, we must put greater efforts into our work, and the responsibility borne by each member is even heavier," Mr. Qian said at the opening session of a three-day meeting of the Preparatory Work Committee, of which he is the chairman.

The committee is made up of 57 Chinese and Hong Kong public figures charged with preparing for the change in Hong Kong's sovereignty. It is widely believed in Hong Kong that the committee will attempt to operate as a shadow government, undermining British authority during the final years of colonial rule.

Mr. Patten said Wednesday that Hong Kong residents wanted committee members "to make absolutely clear that they are prepared to cooperate with the people in Hong Kong."

Mr. Qian's remarks represented China's first concrete countermove to Mr. Patten's announcement that he would submit a revised version of his democratic reform package to Hong Kong's Legislative Council.

The British-appointed governor's announcement came after 17 rounds of Chinese-British talks since April on the 1994 district board elections and 1995 legislative elections failed to make any progress.

Mr. Qian blamed Britain. "Regrettably," he said, "during the most recent round, the talks degenerated to a deadlock because the British side lacked sincerity and deliberately complicated the issue."

Mr. Qian said that the committee was prepared both for success in the talks and for a breakdown, and that a small group had already begun studying how to form a new legislature after 1997.

"During this second full meeting of the Preparatory Work Committee, we will seriously discuss this

BAUME & MERCIER
GENEVE
MAÎTRES HORLOGERS DEPUIS 1830

Stainless steel and 18 karat gold. Screwback case and screwdown crown assure water-resistance to 30 m.

BAUME & MERCIER
25 rue des Caroubiers CH-1211 GENEVA 24
Tel: 22 / 309 14 14 - Fax: 22 / 343 42 94

INTERNATIONAL CLASSIFIED

TODAY'S HOLIDAYS & TRAVEL SECTION

Appears on Page 10

EMPLOYMENT

EXECUTIVE POSITIONS AVAILABLE

A High Class FASHION BOUTIQUE... Downtown MOSCOW... SHOP MANAGER

IRISH NON-RESIDENT COMPANIES £195

OFFSHORE BANKS... OFFSHORE COMPANIES... LADIES WEAR BOUTIQUE

BUSINESS TRAVEL

PRIVATE CHARTER FLIGHTS... AUTOMOBILES... LEGAL SERVICES... ANTIQUES

TODAY'S REAL ESTATE MARKETPLACE

Appears on Page 7

ANNOUNCEMENTS

Attention visitors from the U.S.!

MOVING

AGS... INTERDEAN... BUSINESS OPPORTUNITIES

SAVE ON International Phone Calls

KALLBACK DIRECT... FINANCIAL SERVICES

HERALD INTERNATIONAL TRIBUNE

PLANNING TO RUN A CLASSIFIED AD?

EUROPE... UNITED STATES... CANADA... MIDDLE EAST... FAR EAST

At night, Madrileños undergo an amazing transformation.

As the sun goes down, the people of Madrid are much prone to taking the night air. Hence their feline nickname, "Los Gatos." It all starts with an early evening "paseo" or stroll. But since most locals don't dine before ten, a "paseo" has a pleasant habit of turning into a *tapas tour* of the bars. In Madrid, as elsewhere in Spain, good food and culture are traditionally excellent travelling companions. Jazz in one watering-hole. Flamenco in the next. You'll need at least a long weekend to sample the nocturnal delights of the capital. And in the pale light of the third dawn, as you dip fresh churros into a cup of hot chocolate, you'll begin to realise why the Spanish invented the cat-nap.

ESPAÑA
Passion for life

It's a Wrap on Hubble Repairs

Astronauts to Release Telescope for Testing

By John Noble Wilford
New York Times Service

HOUSTON — The high-flying mechanics and opticians of the shuttle Endeavour completed their repairs of the Hubble Space Telescope on Thursday and were ready to release it for weeks of critical testing to see if the new and improved instruments have corrected the \$1.6 billion telescope's blurred vision.

Deployment of the telescope out into its own orbit, free of the shuttle, was scheduled for early Friday. Endeavour had been carrying the Hubble in its cargo bay while astronauts took five demanding spacewalks in five days to make the repairs. The shuttle and its seven-member crew is due to land at Cape Canaveral, Florida, on Monday.

Officials of the National Aeronautics and Space Administration were relieved and elated by the mission's success. In statements before the shuttle was launched Dec. 2, they had sought to diminish public expectations by stressing the mission's difficulties and saying they would not be surprised if problems limited the results. The agency has been shaken by many recent spacecraft and launching setbacks.

The Hubble's flawed mirror, discovered soon after it was put into orbit more than three years ago, had been one of the most conspicuous blows to the agency's reputation, already badly tarnished by the

Challenger disaster in 1986. Congressional leaders had warned that failure to fix the space telescope might be fatal to the agency's ambitious plans for an international space station, which would require difficult assembly and maintenance by astronauts.

In the flight's fifth and final spacewalk Thursday, Story Musgrave and Jeffrey A. Hoffman unfurled the newly installed solar-power panels on the telescope and replaced faulty electronics that position the panels. They also added an electronics box to improve performance of a spectrograph and placed protective covers over two magnetic sensing units to guard against debris.

In the previous spacewalks, astronauts gave the telescope new sets of gyroscopes for more precise pointing at celestial targets and the new solar panels, replacing the original ones whose vibrations had seriously upset Hubble's observations. Engineers cautioned that the modifications on the new solar panels, built by British Aerospace, would not eliminate the jitters but diminish them to acceptable levels.

The astronauts installed an improved wide-field-planet camera designed with tiny mirrors to compensate for the focusing errors in the telescope's 2.4-meter primary mirror. This camera is responsible for at least half of all the telescope's observations.

To correct the vision for the other half, the astronauts removed one existing scientific instrument and replaced it with a large piece of equipment rigged with 10 small mirrors for correcting light reaching two spectrographs and a faint-object camera. The spectrographs analyze light from stars and galaxies to determine their composition, temperatures and other physical characteristics. The faint-object camera, provided by the European Space Agency, is designed to zoom in on objects for higher-magnification pictures.

Sue Rainwater, the Mission Control officer who directed the spacewalks, said the installations of the wide-field-planet camera and the other set of corrective mirrors gave her some anxious moments.

One of the repairs Thursday had a sentimental importance for astronauts. This was the installation of a relay box to bypass a malfunctioning system in one of the spectrographs. The instrument has not been usable since shortly after the telescope was placed in orbit.

This was the detector crucial to observations planned by Lyman H. Spitzer, an astrophysicist at Princeton University. His article in 1946 enumerated the advantages of placing a large telescope in orbit above Earth's distorting atmosphere and thus inspired the Hubble telescope.



Mr. Yeltsin with an aide at the unknown soldier's tomb in Brussels.

YELTSIN: A Blunt New Warning Given to NATO

Continued from Page 1

math of the Cold War." The political declaration endorses the Russian parliamentary elections and the referendum on a new constitution that would give Mr. Yeltsin sweeping new presidential powers as part of a process "allowing Russia to join European nations sharing common democratic, cultural and social values."

The new accord is supposed to elevate the Community's relationship with Russia to a privileged level, similar in importance to that with the United States and Japan, and to provide for a dramatic expansion in trade, aid and investment.

But EC officials say that before greater economic cooperation can occur, several problems need to be worked out, including restrictions on foreign banking operations that Mr. Yeltsin imposed last month. The Europeans also want ownership rights by their Russia-based enterprises to be guaranteed, along with the free flow of capital so that profits can be repatriated.

Mr. Yeltsin's comments to Mr. Warner, however, indicated that the future of Russia's security relationship with the West may pose the biggest challenge to achieving a successful integration between East and West Europe.

With East European states fearful of the security vacuum in their region and pressing to join the Western alliance, the 16 leaders of the North Atlantic Treaty Organization plan to launch a "Partnership for Peace" program at their January summit meeting. It would involve joint military exercises and training, while postponing full membership until those states are deemed ready.

But so far, the plan has received only a lukewarm response from the countries it is designed to please. East European states complain that they will not be getting the ultimate security guarantees they are seeking: a promise from other members of the alliance that an attack on them will be treated as an attack against all.

Senior NATO diplomats contend that offering membership now to the Eastern countries would be counterproductive, saying that it would trigger a crisis with Russia and create a military threat in Eastern Europe that does not exist at the moment.

Russia, meanwhile, appears convinced that even the promise of membership in the distant future to Poland, Hungary and the Czech Republic — the most likely candidates to join NATO — poses a threat that could leave it isolated and bereft of its traditional buffer zone.

Mr. Yeltsin first warned of Russian security concerns in a letter written two months ago to the leaders of the United States, France, Germany and Britain. Sources who read the letter said that it bore the unmistakable imprint of the Russian military hierarchy, whose political clout was increased when the armed forces suppressed a coup attempt by Mr. Yeltsin's parliamentary foes.

MIDEAST: Clinton and Assad Will Meet in Geneva

Continued from Page 1

ing movement in the Israeli-Syrian track of the negotiations.

His concentration on Syria has been especially noticeable because most attention in the region has been focused on the violence and the controversy connected to the impending start of Israeli withdrawal from the Gaza Strip and Jericho under Israel's accord with the Palestine Liberation Organization signed at the White House on Sept. 13.

[Amid discord at the negotiating table and increasing violence in the Israeli-occupied territories, the Palestinian leader, Yasser Arafat, and Foreign Minister Shimon Peres of Israel met in Granada, Spain, to try to keep the peace agreement together. The New York Times reported.

[Mr. Arafat and Mr. Peres declined to offer much insight into what they had discussed. But Israeli officials said the meeting had been "tense" and that the foreign minister wanted to confer with Prime Minister Yitzhak Rabin before making any comments.]

Senior U.S. officials accompanying Mr. Christopher said the administration believed that no Middle East peace — including settlement of the Palestinian issue — could be enduring unless Israel and Syria, the most militarily powerful Arab country, resolved their dispute over the future status of the Golan Heights. Israel captured the Golan Heights in the 1967 Middle East War.

In addition, the officials said,

there can be no progress in the Israeli-Lebanese track of the peace talks without a green light from Syria, which has decisive political and military influence over neighboring Lebanon.

For that reason, Mr. Christopher said Thursday, he and Mr. Clinton decided it was necessary to put aside U.S. differences with Syria over its human rights record and its aid to terrorist groups and invite Mr. Assad to sit down to discuss the peace process.

The secretary said the United States stood by the criticism of Syria that has been laid out in the State Department's annual human rights reports for the last several years. He also said the administration did not intend to remove Syria from the U.S. list of countries that aid international terrorism. One senior U.S. official said, "In our discussion of these issues, there was no meeting of minds."

"The purpose of the Geneva meeting will be to move the peace process forward, and I think it's entirely justified in meeting for that purpose," Mr. Christopher said.

At a joint news conference, Mr. Christopher and Foreign Minister Farouk Sham gave no indication of whether a resumption of the Washington talks would be accompanied by new ideas capable of breaking the impasse between Syria and Israel. The talks have been in recess since September. Syria has been insisting that Israel must promise to withdraw completely from the Golan Heights. Israel has countered with offers of a partial withdrawal in exchange for full recognition by Damascus.

Instead, the information they did give indicated that the agreements reached this week center more on process than substance. In addition to the presidential meeting, Mr. Christopher said that the heads of the Syrian and Lebanese delegations to the peace talks would visit Washington in early January for "preparatory consultations with the United States on the key substantive issues."

Around Jan. 18, he continued, the Syrian, Lebanese and Israeli delegation heads are to gather in Washington "for simplified and streamlined talks" that are expected to lead to resumption of formal negotiations at the end of January.

Officials declined to disclose the date of the Geneva summit meeting. But some hinted it would take place in the interval between Mr. Clinton's attendance at a North Atlantic Treaty Organization summit meeting in Brussels on Jan. 10 and 11 and the start of his visit to Russia and Ukraine shortly afterward.

CROSSWORD

ACROSS

1 David Bowie's model wife
8 Famed Dublin theater
10 Term of fiction
14 Canceled
15 Pen
16 Paula of "CBS This Morning"
17 Burgeon
18 "Read my lips" declaration
20 Never

23 Across Graff of "Mr. Belvedere"
24 It may be blind
26 Veteran sailor
28 Police refusal
33 Montreal street sign
34 Indian craft
35 Suffix with diet or planet
36 Bush Attorney General William

37 become misty
38 Computer symbol
39 "How was know?"
40 Buy a round
41 Cultural Prefix
43 1987 Costner thriller
44 Carried on
45 PC operator
46 Country ballroom?
47 Alamo legend's county
50 "Jack Sprat" could
54 Straight from the shoulder
57 Bear up?
58 Kuwait ruler
59 Get — of one's own medicine
60 Go smoothly
61 Actress Thompson
62 Kind of situation
63 Noted Ferrara family

4 "I'm not surprised!"
5 Storefront sight
6 Headache easier, for short
7 Twining stem
8 Riviera season
9 Material for archers' bows
10 Rhododendron
11 — Coburg (former duchy)
12 — He Kissed Me" (1963 hit)
13 Addie's husband in "As I Lay Dying"
19 Church gift
21 Drinking binge
24 Dunking item
25 Over
26 Polo fighter
27 Lyric of myth
28 "This way" sign
29 Complains relentlessly to
30 Strauss's "Eine Venedig"
31 Jockey Julie
32 Religious council
34 — of Aeneas
35 Splitting tool
36 "I can't go on!"
40 Spinks' defeater, 1988

41 Deserve
43 Roman Eos
44 Mediterranean vessel
46 Exo Pirca and others
47 Singles
48 Tony Musante TV series
49 Novelist Bagnold
50 Sufficient, once
51 Lippo Lippi et al.
52 Diddy's "Play It Lays"
53 Chaucor piece
55 Antonio or Juan
56 Conductor de Waart

64 Down
1 Swenson of "Benson"
2 Satirist Sahl
3 Attic contest

© New York Times Edited by Will Shortz

RABID: U.K. Obsession

Continued from Page 1

keep wild animals from traversing the tunnel. That system begins with a steel mesh fence, about 10 feet high and buried two feet into the soil, completely ringed the tunnel terminals in Folkestone, England, and Calais, France. It ends with an electrified cattle grid inside the tunnel itself. All of these barriers were tested not merely on rats, cats, dogs, and foxes — the presumed rabies-carrying interlopers — but also on rabid members of those species since they are known to behave more aggressively.

Along the way Mr. Crowley and his team also consulted with zoologists and animal behavior experts to determine such things as how deep these animals burrow, how high they jump and even the size of their feet. "We spent millions of pounds," said Mr. Crowley, who now believes it is "virtually impossible" for an animal to penetrate his defenses.

Still, skepticism dies hard in Britain.

MIDEAST: Clinton and Assad Will Meet in Geneva

Continued from Page 1

there can be no progress in the Israeli-Lebanese track of the peace talks without a green light from Syria, which has decisive political and military influence over neighboring Lebanon.

For that reason, Mr. Christopher said Thursday, he and Mr. Clinton decided it was necessary to put aside U.S. differences with Syria over its human rights record and its aid to terrorist groups and invite Mr. Assad to sit down to discuss the peace process.

The secretary said the United States stood by the criticism of Syria that has been laid out in the State Department's annual human rights reports for the last several years. He also said the administration did not intend to remove Syria from the U.S. list of countries that aid international terrorism. One senior U.S. official said, "In our discussion of these issues, there was no meeting of minds."

"The purpose of the Geneva meeting will be to move the peace process forward, and I think it's entirely justified in meeting for that purpose," Mr. Christopher said.

At a joint news conference, Mr. Christopher and Foreign Minister Farouk Sham gave no indication of whether a resumption of the Washington talks would be accompanied by new ideas capable of breaking the impasse between Syria and Israel. The talks have been in recess since September. Syria has been insisting that Israel must promise to withdraw completely from the Golan Heights. Israel has countered with offers of a partial withdrawal in exchange for full recognition by Damascus.

CORRECTION

The advertising supplement on Russia published on Dec. 8, 1993 incorrectly named the newspaper that employs four of the writers of the section, Steve Lieberman, Sander Thoenes, Mark Whitehouse and Mikhail Dubik are on the staff of The Moscow Times.

Give the IHT as a gift and give yourself a gift as well!

Choose between these two magnificent Oxford Illustrated Encyclopedias.

Take advantage of our special gift rate: **44% off the cover price!**

A subscription to the IHT is an ideal year-long gift for a friend or business acquaintance — especially at our special gift rate of up to 44% off the cover price.

For each six or twelve-month gift subscription that you order, we will send you one of the Oxford Encyclopedias, illustrated above — absolutely free.

Special bonus for current subscribers

We will extend your own subscription by one week for each month's gift subscription you enter. For example, if you order two one-year gift subscriptions, your own subscription will automatically be extended by 24 weeks.

And, of course, we will send the new subscriber a handsome card, signed as you specify, announcing your gift.

Subscribe yourself

If you are not already an IHT subscriber, you can also take advantage of this special gift offer. In addition to your subscription you will receive the Oxford Encyclopedia of your choice — free.

Just complete the coupon below and send (or fax) us a copy for each order. And leave the rest to us.

Call us toll-free in

AUSTRIA: 0660 8155 LUXEMBOURG: 0201 2703
BELGIUM: 078 11 7338 SWITZERLAND: 155 37 37
FRANCE: 05 437 437 THE NETHERLANDS: 06 622 3158
GERMANY: 0130 815565 UNITED KINGDOM: 0800 813965

THE FRONT PAGE 1887-1992

A BOOK OF GREAT FRONT PAGES FROM THE INTERNATIONAL HERALD TRIBUNE REPORTING THE MAJOR EVENTS OF THE PAST CENTURY.

Reproductions of 150 front pages, many with Herald Tribune exclusive articles: like first-hand reports from the sinking Titanic, the Dreyfus trial, the 1981 failed coup in Madrid, the hurried departure of Marcos from Manila — and the Venice campanile caught in mid-collapse by a Tribune photographer!

Follow coverage of the First World War by one of the few newspapers that stayed in Paris and was virtually edited at the front.

Read about people — Queen Victoria, Linlithgow, Jack the Ripper, the Windsors, Khomeini, Gorbachev — a century of news headlines and the events that surrounded them.

Hardcover, 27 x 37 cms (10.5 x 14 ins), 168 pages, readable size text. The book is divided into six chronological sections, each with an introduction describing the period from historical and journalistic viewpoints.

THE FRONT PAGE 1887-1992 is a distinctive personal or business gift. Order one — or several — today.

Return your order to International Herald Tribune, Book Division, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

For faster service, fax to: (33-1) 46 37 06 51

Please send me _____ copies of THE FRONT PAGE. Price per copy: 325 French francs (US\$55), plus postage:

France: 28 francs per copy;
Rest of Europe: 22 francs;
N. America / Africa / Middle East: 65 francs;
Asia / Rest of world: 98 francs.

Please allow up to 3 weeks for delivery.

Country	1993	1992
Austria	5,000	3,200
Belgium	14,000	7,700
Canada	2,400	1,900
France	2,400	1,300
Germany	1,950	1,670
Great Britain	700	585
Greece	218	113
Italy	73,000	41,000
Japan	230	129
Latin America	500,000	273,000
Luxembourg	14,000	7,700
Netherlands	770	430
Norway	3,500	1,900
Portugal	47,000	26,000
Spain	48,000	26,500
Switzerland	55,000	27,500
Sweden	2,100	1,700
United States	3,500	1,900
West Germany	610	355
Rest of Europe, N. Africa, Middle East	620	545
Rest of Africa, Asia, Central, Latin America	732	430
Rest of Asia	900	495

Please indicate which gift subscription term you prefer and fill in the recipient's name and complete address. 12 months 6 months

Please check here if you prefer to send the free Oxford Encyclopedia to the recipient.

My choice is: Peoples and Cultures Invention and Technology.

Recipient's Name _____
Address _____
City/Country _____

My name as it should appear on the gift card _____
Address _____
City/Country _____

My subscription account number _____

My check or money order is enclosed (payable to the International Herald Tribune).
 Please charge my credit card.

News American Express Eurocard Diners MasterCard Visa

Credit card changes will be made in French Francs at current exchange rates.

Card No. _____
Exp. Date _____ Signature _____

For business orders, please indicate your VAT number. (IHT VAT number: FR1543211261)

Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Fax: 33-1-46-37-06-51 - Tel.: 33-1-46-37-06-51.

Herald Tribune

For information concerning this advertisement, please contact the IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Fax: 33-1-46-37-06-51 - Tel.: 33-1-46-37-06-51.

NAME (to book form) _____
ADDRESS _____
CITY/CODE _____
COUNTRY _____
Payment is by credit card only. Please change to my credit card:
 Access AmEx Diners Eurocard MasterCard Visa
Card No. _____ Exp. date _____
Signature _____
Company BEC VAT ID No. _____

Handwritten signature: 1993/12/10

Video Game Industry Seeks to Rein Itself In

By Edmund L. Andrews

WASHINGTON — Amid growing concern about violence and sex in home video games, and eager to avoid government intervention, several of the biggest game companies and retailers in the United States plan to establish an industry-controlled ratings board similar to the one used for rating movies.

Participating manufacturers would label the games and retailers would try to enforce the guidelines.

Details on how the board would be constituted and how a ratings system would be enforced at the retail level have not been decided.

Although the companies have not decided how the ratings would be designed, they could resemble a system that Sega recently imposed on its games.

"I had hoped the industry would adopt a code according to which they would simply stop producing some of the worst stuff, in terms of violence and sexual content."

Video games are a \$6 billion industry in the United States and represent the greatest use of inter-

Game makers are trying to head off legislation that would set up stricter ratings.

Action and adventure have long been staples of video games. But advances in technology have made it possible to produce realistic games that engage the players in a way television cannot.

Not only are the games more violent than television offerings, but the most advanced new games, produced to run on machines with powerful processors, can also make players feel as if they are participating in an action movie or science-fiction thriller.

But because improved technology has enhanced the realism of the games, they have stirred controversy, similar to the debate about violence on broadcast television.

In "Lethal Enforcement," a new game distributed by Sega, players take the part of police officers in Chicago who shoot terrorists, drug dealers and hijackers.

Players point and fire a gun at actors on the screen, who collapse

if they are hit. The game allows players to "upgrade" their weapons from handguns to assault rifles, machine guns and grenade guns.

In "Rival Turf," based on teenage street gang, players fight in commuter trains and on the street.

In recent months, much of the publicity about video games has centered on "Mortal Kombat."

In a version distributed by Sega, lifelike characters win points by ripping out the spinal columns and severing the limbs of their opponents.

But Nintendo, which has adopted comparatively strict guidelines that limit the amount of explicit violence and sexual innuendo in its products, offers a version of "Mortal Kombat" that is tamer than Sega's.

Challenge Fades To New President Of Ivory Coast

ABIDJAN, Ivory Coast — Ivory Coast's new president, Henri Konan-Bédié, strengthened his hold on power on Thursday as his principal rival, Prime Minister Alassane Ouattara, announced his resignation.

Mr. Ouattara's departure left the field open for Mr. Konan-Bédié, the constitutional successor to President Félix Houphouët-Boigny, who died Monday.

A claim on Wednesday made by armed forces chiefs had declared their loyalty to him was denied Thursday by Defense Minister Leon Konan Koffi.

Mr. Konan-Bédié, the constitutional successor as president of the National Assembly, did not wait for a formal handover by the Supreme Court, but went to state television on Tuesday and said he had taken over.

Under a headline, "Scenario of a coup d'état by France," La Voie, Ivory Coast's main opposition daily, criticized the former colonial power on Thursday for speedily sending messages to Mr. Konan-Bédié as "head of state" before any official announcement.

Paris Sends Aid to Georgia

PARIS — France is sending 87 tons of humanitarian aid to refugees in the former Soviet republic of Georgia, the Foreign Ministry said Thursday. The first plane carrying 37 tons of supplies, including 12 tons of powdered milk and eight tons of canned meat, left Paris on Wednesday.

Paris is sending 87 tons of humanitarian aid to refugees in the former Soviet republic of Georgia, the Foreign Ministry said Thursday. The first plane carrying 37 tons of supplies, including 12 tons of powdered milk and eight tons of canned meat, left Paris on Wednesday.

Paris is sending 87 tons of humanitarian aid to refugees in the former Soviet republic of Georgia, the Foreign Ministry said Thursday. The first plane carrying 37 tons of supplies, including 12 tons of powdered milk and eight tons of canned meat, left Paris on Wednesday.

Paris is sending 87 tons of humanitarian aid to refugees in the former Soviet republic of Georgia, the Foreign Ministry said Thursday. The first plane carrying 37 tons of supplies, including 12 tons of powdered milk and eight tons of canned meat, left Paris on Wednesday.



LaToya Jackson in Tel Aviv: "I cannot and I will not be a silent collaborator of his crimes."

Jackson Sister Joins His Accusers

LOS ANGELES — LaToya Jackson has accused her brother, the pop star Michael Jackson, of sexually molesting children.

Miss Jackson made the accusation at a news conference in Tel Aviv, saying she could no longer remain a "silent collaborator" in what she described as her brother's "crimes against small, innocent children."

Mr. Jackson, who is being treated for self-described addiction to pain-killing drugs at an undisclosed location in Europe, is under investigation by the police in Los Angeles into allegations by a 13-year-old boy that the singer sexually abused him.

Mr. Jackson has denied any wrongdoing. "I remain silent, but that means that I feel the guilt and humiliation that these children are feeling and I think it's very wrong," Miss Jackson said Wednesday after arriving in Israel with her husband and manager, Jack Gordon.

Miss Jackson, who has been an outcast from the tight-knit entertainment family since going public with allegations that her father molested her as a child, thus became the first to break ranks with other family members on the subject of her brother's alleged activities.

Her remarks immediately ignited one of the Jacksons' ugliest feuds in years as others defended Michael.

"LaToya is lying and I'll tell her to her face she's lying. And she knows it," Katherine Jackson, LaToya and Michael's mother, said at the family's gated compound in the Los Angeles suburb of Encino.

"She lies all the time," Joe Jackson, the father, interjected. "This is how they make their living, by lying," he said, referring to his daughter and her husband.

Jermaine Jackson, brother of Michael and LaToya, said his sister and Mr. Gordon made up the allegations in order to revive interest among tabloid newspapers and television shows that would pay them for their story.

In Tel Aviv, Miss Jackson said she had seen proof of her brother's illicit involvement with children.

"I have seen checks payable to the parents of these children," she said, adding that it was her mother that had showed them to her, and that they were for "very large amounts."

REAL ESTATE MARKETPLACE

Real estate listings in the U.S.A. section, including properties in Florida, California, and other states. Listings include details like location, size, and price.

Real estate listings in the U.S.A. section, including properties in Florida, California, and other states. Listings include details like location, size, and price.

Real estate listings in the U.S.A. section, including properties in Florida, California, and other states. Listings include details like location, size, and price.

Real estate listings in the PARIS AREA UNFURNISHED section, including properties in Paris, France. Listings include details like location, size, and price.

Advertisement for 'The IHT Pocket Diary Fits In The Palm Of Your Hand.' Includes an image of the diary and promotional text.

Advertisement for 'Embassy Service YOUR REAL ESTATE AGENT IN PARIS'.

Advertisement for 'Herald Tribune' featuring a subscription form and contact information.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Healthy Convergence

In its struggle to survive, the U.S. banking system is rapidly evolving in Darwinian fashion...

The Door Still Revolves

That revolving door Bill Clinton promised to put his foot to is still spinning. Just the other day it propelled two influential White House aides into top jobs at major lobbying and public relations organizations...

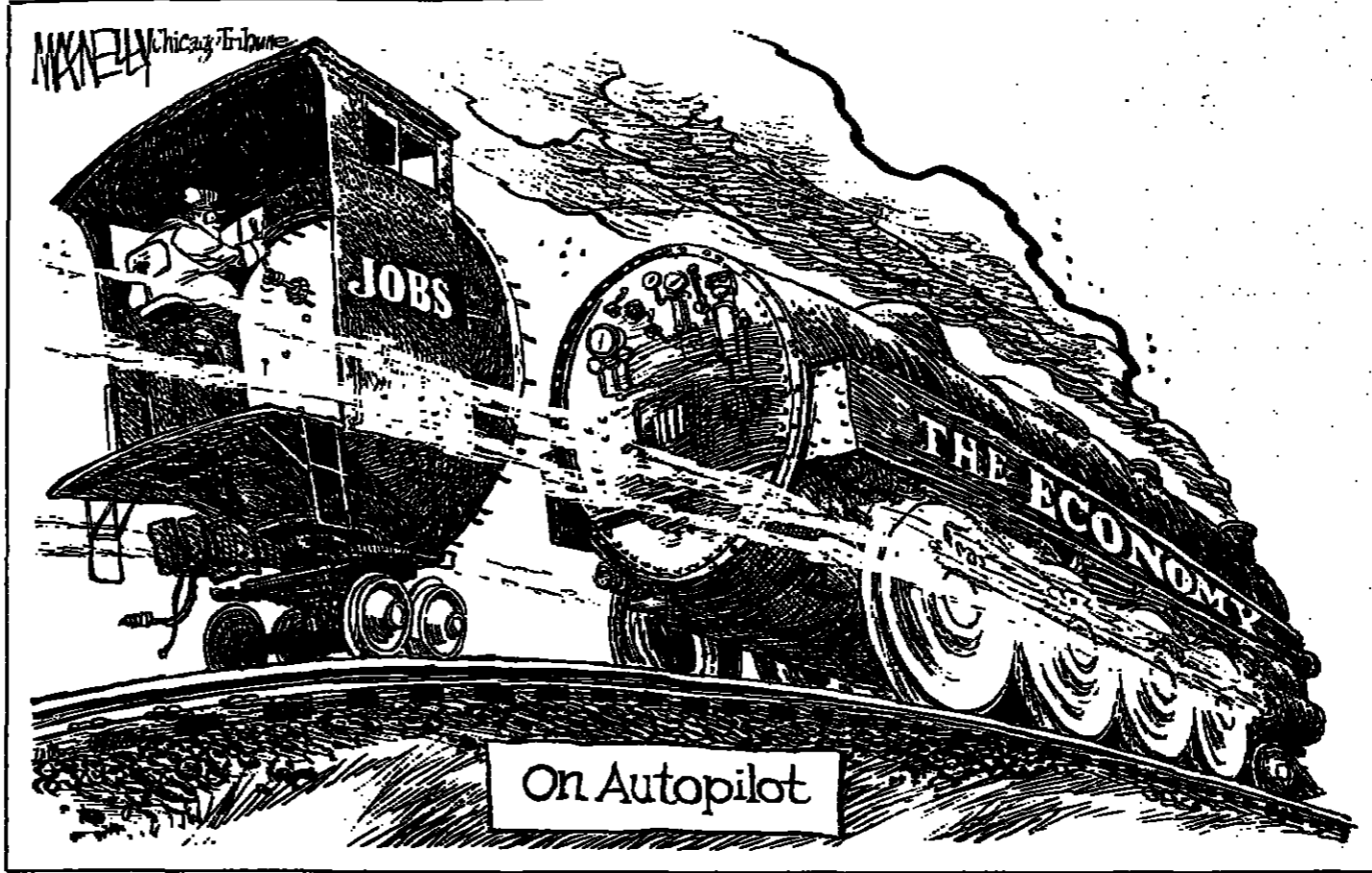
When Priests Are Criminal

There are few crimes more horrific than the sexual abuse of children, which explains the justifiable rage vented in a Massachusetts courtroom Wednesday at James Porter...

Other Comment

Never Easy, Well Worthwhile

The Uruguay Round is turning into a cliff-hanger. If the negotiations fail, it will effectively end hope for a trade package that could add more than \$200 billion annually to the global economy...



Getting Together While Russia Enters Its Future

PARIS — As Russians head for the polls on Sunday, it already seems evident that the elections and constitutional referendum will not bring the decisive answer on their chances for sturdy democracy...

For Russians, Stable Government Has to Come First

HELSINKI — The West has made it clear which side it favors in the Russian elections on Sunday: It backs those who support Boris Yeltsin and his reform policies...

Why the World Needs Reform of Japan's Economy

TOKYO — The liberalization of trade has been one of the primary forces for global economic expansion in the past three decades...

Land Mines Ought to Be Outlawed

WASHINGTON The biggest payoff from preventive diplomacy would come from a global agreement to ban the production, export and use of anti-personnel land mines...

1893: A Head for Figures

PARIS — Miss Dorothea Klumpke, an American lady, will, at the Sorbonne, read two theses with a view to obtaining the degree of "Docteur en Sciences Mathématiques..."

1943: Taking Difensa

WITH THE 5TH ARMY — [From our New York edition] The capture of the Difensa peak was described today [Dec. 10] by a high-ranking American infantry officer as the most difficult mountain fighting ever undertaken by American troops...

International Herald Tribune advertisement listing staff members and contact information.

Handwritten Arabic text at the bottom of the page.

OPINION

Clinton's Hollywood Fling: Both Principle and Politics

By William Safire

WASHINGTON — French culture is regularly on display in the architect I. M. Pei's modern addition to the Louvre in Paris. This week, in another I. M. Pei structure in Beverly Hills — a tinsel town temple on the corner of Wilshire and Santa Monica boulevards — Hollywood financial muscle held a glittering gathering for Bill Clinton.

Afterward, at a \$25,000 to \$100,000 per mogul-couple dinner to benefit the Democratic Party, Barbara Streisand sang "Can't Help Lovin' That Man of Mine"; Frank Sinatra, whose gangland connections did so much to besmirch the Kennedy escutcheon, was inducted into the Clinton circle.

The two Pei structures are about all Paris and Hollywood have in common. The two cultures are locked in a struggle bound to affect international trade and presidential politics.

The American movie industry wants, and deserves, an end to the import tax on U.S.-made films now subsidizing unprofitable French film production.

The French public prefers the American product, to the dismay of France's cultural elite; politicians there, no longer able to protect their farmers from world competition in the trade talks, are making a last protectionist stand on movies.

Their cultural chauvinism is a facade, to use a couple of French words. It fronts for anti-American snobism and a desire to impose quotas to gain economic advantage. Today, movies are targeted; tomorrow, Eurocrats will aim to control satellite and cable entertainment and information.

On the merits — free expression, free trade, fair competition for jobs — the United States should take a stand on this issue in GATT's final week.

Beyond the merits is the politics, which makes this issue so fascinating. California is the most populous U.S. state, the state that is hardest hit by defense cuts and immigration influx, and the most politically pivotal state. Whoever wins California in 1996 will win the next presidential election.

That is why Mr. Clinton has traveled to the West Coast nine times this year. It is why he is willing to risk being seen as out of touch with his pseudo-populist roots by embracing Hollywood's glitterati. It is why he wades hip-deep in hypocrisy, talking about campaign finance reform while using his incumbency to generate millions in fat-cat donations for Democrats.

Also in California is Governor Pete Wilson, a Republican, who has just fazed Mr. Clinton: "We must walk away from a bad GATT agreement." His poll ratings took a plunge after his election, and are now as depressed as the state; confident Democrats are looking toward the inexperienced Kathleen Brown to revivify the Brown dynasty.

But Governor Wilson, a former San Diego mayor and U.S. senator, has been riding a wave of anti-immigrant resentment (troubling to me, but not most vot-

ers). He may benefit from a fact too politically incorrect to voice: Both California senators are women, and the prospect of a woman as governor may evoke a yearning for reverse affirmative action.

An elderly former Californian who has won more campaigns than he lost in that state predicted to me recently that if Mr. Wilson survives in 1994, he will be the most likely Republican presidential nominee in 1996 — and would make a strong candidate.

No wonder Bill Clinton has been commuting monthly to California. No wonder he impressed the fat-cat moguls with his grasp of the case for ending movie tariffs, touching only lightly on the need to curb movie violence.

The U.S. trade representative, Mickey Kantor, until recently a Hollywood superlawyer, received this instruction Wednesday from Mr. Clinton: Hang tough on our proposal. Trade principle and California politics have combined to put steel in the U.S. spine.

The New York Times



Of Course the French Want to Save a Bit of Themselves

By Richard Reeves

LOS ANGELES — Where you stand depends on where you sit. In Hollywood, President Bill Clinton told film and television producers that some of their work was dangerous to the mental health of poor Americans. In Brussels, his trade representative, Mickey Kantor, was telling Europeans they have no right to say that those same movies and programs are dangerous to their national survival.

After 17 years of negotiations, the General Agreement on Tariffs and Trade stalled last week because of what Washington called the small-minded and greedy concerns of the French and their neighbors in the European Community. While the Japanese finally agreed to allow foreign rice into their stomachs, the French insisted that they were willing to go only so far in allowing American pop culture into their hearts and minds.

This is the problem as seen in Paris and capitals all over Europe and much of the rest of the world.

American entertainment is the most irresistible (and cheapest) mind-stuffing on the planet. Like bad money, even 20-year-old American television series can drive out the narrower cultures of smaller countries — or, as we Americans call them, markets. That problem, for them, has been dramatized by the government of France and its cultural and financial concerns over the fact that on any given night, 59 percent of French movie-goers are watching American films, and half of French television-watchers are watching American programs.

Both those figures would be much higher if the government did not hold back American cultural imports with a

50 percent limit on the number of hours of American-made television programming and a special 11 percent tax on foreign movies — with \$350 million in receipts from the ticket tariff being used to subsidize the French film industry.

It is those taxes and quotas that Washington demanded that the French eliminate in the interest of free trade — and in expanding the \$1 billion-a-year trade surplus provided by the export of American films, programs and music videos.

"We are not willing to sell out the rights of hard-working individuals," said Mr. Kantor, stating the U.S. position. "American producers and actors are not getting their full royalties."

I'm sure. But, hoping I will not be called a traitor, I think there may actually be more to life than commerce. And I think the French are right. A nation is more than a market, and were I French or Dutch or Spanish, I might hesitate before sharing the whole American good-life package — particularly if I suspected that there just might be a link between the candid violence of U.S. entertainment and the real-life abduction of little girls in California and casual massacres on the Long Island Railroad.

"The real threat for us is that the U.S. is exporting its banal way of looking at violence," said Pascal Rogard, director of the French filmmakers union. He and the union have an obvious self-interest in all this, but that does not mean he was wrong when he added, "The whole U.S. marketing campaign is to sell rampant violence." That, unfortunately, is true. If you

talk to American filmmakers, they will tell that the only true universal culture-crossing entertainment is violent action adventure — the bloodier the better. Humor, romance, notions of nobility or avarice, even sex may or may not travel well across cultural boundaries, but action sells everywhere.

The power and charm of American images is awesome. That does create problems for other societies. The reaction can be unfair, as Mr. Kantor thinks of the French resistance, or comical, as was Swedish banning of television ratings during the Cold War because that "neutral" country feared any public comparison of the number of Swedes watching "Dallas" on nights when it was up against such tempting Communist fare as the

Bulgarian National Dance Company. French films, most of them, are not very exciting, many are just not very good. But they are French! And the French themselves still delight in heading for cafes afterward to talk about every scene and little movement. They do it now, however, in a country where one out of every four screens last week was showing the same movie, an American one, "Jurassic Park" by name.

I sympathize with the French men and women who find that troubling. We Americans, after all, come from a society that goes to amazing lengths to preserve endangered species of fish and rats and owls. Well, the French are worried about an endangered species, too. Themselves. © Universal Press Syndicate.

As They Die, We Carry On In Our Parallel Universe

By Anna Quindlen

NEW YORK — In the apartment a man and woman decorated a Christmas tree. They hooped strands of lights around the branches, stood back to consider the effect, plugged them in so that colored stars danced in the darkness. From across the street we could see them.

MEANWHILE

two panes of glass and a swath of asphalt away. We mourned our friend while those strangers went about a different ritual.

Last Monday would have been Jeff Schmalz's 40th birthday, and he had intended to spend it dining well, as was his wont, at Chantrelle. His memorial service was held at the restaurant instead.

His friends and colleagues remembered him as a superb reporter and editor. And they spoke of the extraordinary work he had done, these last few years, as a gay man with AIDS covering the epidemic for The New York Times.

As we sat facing the restaurant window, listening to one and then another speak of Jeff, the couple across the way decorated their tree, insensible to our grief. And it came to me that they were a symbol of all of us who have gone about our business, the straight-world parallel universe, devoid of passion and interest, that has left AIDS activism to the community of men decimated by disease.

"One day soon," Jeff wrote, "I will simply become one of the 90 people in America to die that day of AIDS."

That day was Nov. 6.

And one day soon you too will find yourself in the shadow of the plague; it will grip someone you love. Here is the real domino theory: Gay men to gay men, bisexual men to straight women, addict mother to newborn baby, they all fall down and someday it will come to you. The World Health Organization reports that 14 million are now infected and predicts 30 million to 40 million as the millennium approaches.

"I suspect that for many of you tonight

this is the first memorial service you have attended for someone who has died of AIDS," said Jeff's friend Adam Nagourney, a White House reporter for USA Today. "I can assure you that for me and my gay brothers and sisters here tonight, it is one of many; the most painful, to be sure, but still one of many. I also assure all of you, straight or gay, that this will most certainly not be the last."

"You should be frightened," he added. "And, like Jeff, you should be driven to do something about it."

What? Anything, everything, and without the underpinning of Puritanism that has hobbled us. Yes, it is transmitted by sex. Yes, we take sexual risks. Will you care about any of that when your son is dying, or your sister? We know what needs to be done: clean-needle exchanges, AIDS education for adolescents, money, research, agitation, information.

But, as much as that, we need to care. In a posthumously published cover story in The Times Magazine, Jeff wrote, "The world is moving on, unearring, frustrated and bored, leaving by the roadside those of us who are infected and who can't help but wonder: What- ever happened to AIDS?"

The answer is that Jeff left it to the rest of us, all of us who understand that the point of being human is the effort to care passionately about others.

The president spoke of Jeff in his speech on AIDS a week ago. "He challenged us all with these words in the article," Bill Clinton said. "I am dying. Why doesn't someone help us?"

If you knew Jeff, if you knew how witty and sardonic he could be, how self-sufficient and confident, you would feel those words as the rebuke they ought to be. But since you did not, I will only ask this: When it is your son's wasted face on the pillow, or your sister's, or your friend's — when they ask that question, what will you say? It is an important question. Will you have an answer? The New York Times.

LETTERS TO THE EDITOR

Spanish Spoken Here

Regarding the report "Catalanians Open a War of Words: In Schools, No More Spanish" (Nov. 24) by Alan Riding and "Say It in Catalan" (Letters, Dec. 2) from Gómez Crespo:

The impression is given that Catalonia is run by a dictatorial government bent on wiping out the use of Spanish on its territory, a policy that even if it were practiced, which it is not, would be completely nonsensical, given Catalonia's 500-year history of bilingualism.

As academics involved in Spanish and Catalan studies at a number of British universities we have wide personal and professional experience of the linguistic

situation in Catalonia over many years, during the Franco regime and after.

We can state that Catalan government policy has aimed to achieve command of both Spanish and Catalan in school-leavers within their territory, and this objective is easily frustrated unless Catalan is introduced early, as one — but only one — of the vehicles of instruction; otherwise, many children who speak only Spanish in their homes may never achieve full bilingualism.

Far from a "War of Words," language policy in Catalonia is concerned with equality and justice for all.

HENRY ETTINGHAUSEN and eight others. Cambridge, England.

Gómez Crespo and other Spanish speakers complain of discrimination against non-Catalan speakers in Catalonia. Well, let me tell them that I find that the shoe is rather on the other foot.

Despite street names in Catalan and bilingual notices in public places, I find it increasingly difficult to conduct everyday business in Catalan. Almost invariably, my attempts at using Catalan in stores, post offices, on public transport or in taxis, are frustrated by responses in Spanish by people who have been living and working in Barcelona for years — often all their lives — but have not made the effort to acquire a minimum of proficiency in the local language.

Small wonder that Catalans in Cata-

lonia feel increasingly beleaguered and react in ways that may appear excessive to the uninformed.

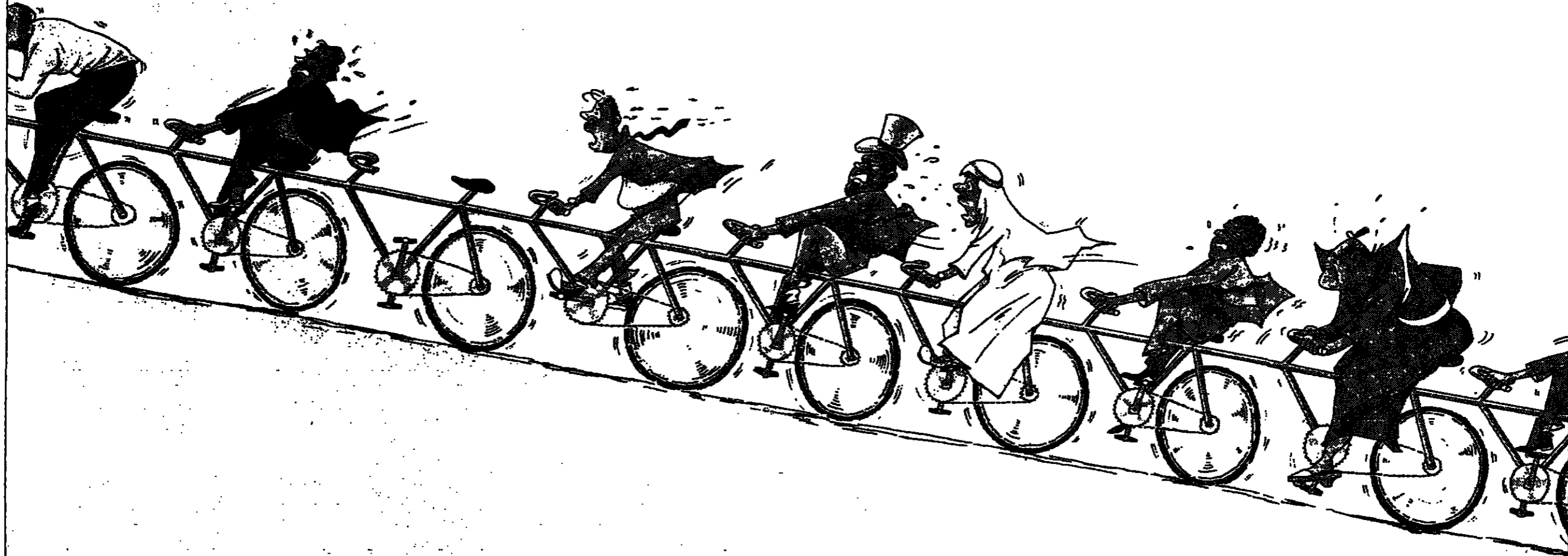
AMADEU SOLE-LERIS. Rome.

Political Correctitude

Regarding "Some Words Are Off Limits, Newspaper Decrees" (Suggests) (American Topics, Dec. 1):

What nonsense! What happened to free speech, freedom of the press? And will the deputy managing editor now have to be addressed as deputy personaging editor? PETER B. MARTIN. Valpionde, France.

WITHOUT A FULL TEAM, IT'S UPHILL FOR THE U.N.



Why has the Republic of China on Taiwan, one of the world's strongest democracies, been banished from the world stage? Such exclusion from the U.N. and other world forums is unfortunate and detrimental to world affairs.

All because of rhetoric that ignores reality. Communist China says the Republic of China on Taiwan does not exist. But that's a ploy which simply won't work anymore. How is it possible to ignore 21 million people, who make up the world's 20th largest economy, 14th largest trading nation, a blossoming democracy, and a colorful culture?

Communist China also argues that the U.N. is not big enough for two Chinese seats, even if only temporarily, until China's unification is achieved. But the U.N. was big enough for two Germans, and is still big enough for the two divided parts of Korea. So much for that argument.

Rhetoric can't change reality. The Republic of China on Taiwan exists. The international community should not be bullied into playing along with any charade to the contrary. It's high

time the international community says "no" to Peking's attempts to block the Republic of China from assuming its rightful role as a responsible, charitable and key member of the U.N. family of nations.

Yes. The 21 million Chinese on Taiwan are ready, willing and able to assume a role in the U.N., to do their share in building a better U.N. and more harmonious world. Their continued exclusion is no longer justified. Reality and reason, not rhetoric, should make the world go round.

So, isn't it time for the U.N. to give the Republic of China on Taiwan a chance to participate in the most august of world bodies?

The Republic of China on Taiwan. We're Ready.

TODAY'S TAIWAN
REPUBLIC OF CHINA

Holiday Survival, Far From Home

By Barbara Rosen

THE most festive time of year can also be the saddest, when you're far away from home, when you're not sure where "home" is. For many expatriates, spending the holidays away from family and the familiar can be a bit of a bitter-sweet experience.

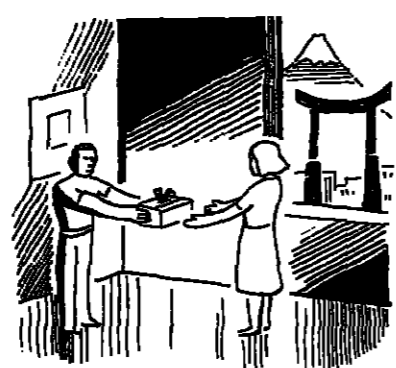
"The holidays definitely play a part in raised levels of depression and sadness and friction — for everyone," says Carla Rodstrom, administrator of Community Help Service, an English-speaking mental-health counseling service in Brussels. "And it's even worse," she adds, "when there's nothing familiar."

Expatriates who don't get back home mark the holidays in different ways. Some seek out compatriots, and try to duplicate home as best they can. Others throw themselves with fervor into the local customs. Some just take a vacation. Here are six of their stories.

Three and a half years after leaving Brazil, Theraza Mascarenhas is glad she came to France. Having found her country too "amoral" a place to raise a child, she and her son, Alexis, now 17, live in Paris. Mascarenhas, 36, is a receptionist in a hotel. This Christmas, like last, she expects she will have to work. Later, she and Alexis will celebrate with French friends "who have sort of adopted us," she says. It's warm and caring, and the meal is similar to what they would be eating at home.

But in Brazil, they would be milling around with relatives as they ate, instead of seated

at Christmas. I would love to have them here in my home."



British, Americans, Canadians, New Zealanders and Australians. "We made our own crackers and had a turkey and quite enjoyed the day," MacCormack says. Yet as they sang, "we felt sad."

Charlotte Mill, 29, and her husband, Nik Kiddle, 35, got their one home-leave to New Zealand in July, midway through Kiddle's four-year diplomatic posting in Belgium. Once again, Christmas will be spent abroad. Last year, they sat down to Christmas lunch for 18 in their friends' apartment in a chateau on the outskirts of Brussels. "They invited all of the New Zealanders that were left in Belgium," Mill says. It was comfortable, familiar, easy. Even the roast turkey and the roaring fire felt right in the northern European chill; in Auckland, they would be eating cold ham and going to the beach.

The year before, they also went to a party of New Zealanders — but all the other guests had brought their kids. "That's nice if it's your own family and you know all those children," Mill says. "But when they're all complete strangers... It was nice to be invited, but we probably could have had a better day on our own. It was somebody else's Christmas."

Norma Lehmann-Vogelweid, 42, has lived outside the United States for 15 years. Her mother, and her four siblings and their families, are still there. She has thought about going back for the holidays, but she would rather stay in Portugal, with her own ornaments and her Lionel trains. "There's no place like my own home for Christmas," she says.

Lehmann-Vogelweid, her Swiss husband, Bruno, 42, their 10-year-old daughter, Lillian, and Bruno's parents do a mixed Christmas. For the Swiss side, there are candles on the tree, singing and instrument-playing on the 24th, and a German-language church service on the 25th. Dinner, on the 24th, is an all-American affair — turkey, cranberries, pumpkin pie. They have lived in Estoril for four years now, but there is no Portuguese part to their Christmas.

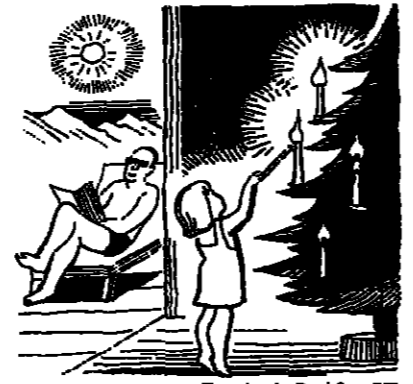
Lehmann-Vogelweid misses her relatives, but not especially at the holidays. "I miss them, but not enough that would make me go back," she says. "They should all come over

quilt relaxed. It's an element of all being thrown into one place under particular circumstances. In England I wouldn't like it."

Meanwhile in Newcastle, England, Min-eki Yoshida has a ball, eating Christmas pudding and attending Church of England services. Last year, he and his wife, Miyuki, both 29, had Christmas lunch at one friend's house and Christmas dinner at another's. "Honestly speaking, I don't like Christmas lunch," confesses Yoshida, a personnel adviser for Nissan Motor Manufacturing U.K. Ltd. "It's very oily and too fat and too much meat. Just once a year, it's O.K.," New Year's Day finds him watching the Queen's Speech with his British friends.

Back in Japan, Yoshida says, most of the "younger generation" spend New Year's with friends, partying on the eve and visiting a shrine the next day. He tended toward the traditional, spending the holiday with his parents. While Yoshida is popping Christmas crackers in Britain, most of his Japanese colleagues are vacationing on the Continent. "At the moment, the U.K. is our home," Yoshida says. "I want to do the same as British people do."

Barbara Rosen is a free-lance journalist living in Brussels.



Barbara Rosen is a free-lance journalist living in Brussels.

Barbara Rosen is a free-lance journalist living in Brussels.

Barbara Rosen is a free-lance journalist living in Brussels.

Barbara Rosen is a free-lance journalist living in Brussels.

Barbara Rosen is a free-lance journalist living in Brussels.

The Big Gift: CDs of Christmas Past

By Mike Zwerin
International Herald Tribune

PARIS — It's that time of year again. Ho ho ho! Since the pressure to spend money is just about irresistible, we will try steering you in a positive direction. The following expensive CD box-sets for special friends are all from the past, fit for these days when we seem to be nostalgic for breakfast.

● **THE COMPLETE ROULETTE LIVE RECORDINGS OF COUNT BASIE AND HIS ORCHESTRA, 1939-1962** (Mosaic). John F. Kennedy once cited the Greek definition of happiness as "the full use of your powers along lines of excellence." Count Basie must have been a very happy man. His keyboard minimalism, which has been called "pre-edited," has no equal except for Monk. "This was a band at the peak of its very considerable powers," the album notes for this massive eight-CD collection begin. It was recorded in the Americana Hotel, Miami Beach, Bridham, New York, and Grana Lund, Stockholm; the geographical diversity reflects the band's dynamic range and universal swing. The Berlin philharmonic of jazz, or perhaps it's the other way around. An edition limited to 7,500 copies available only from Mosaic Records, 35 Melrose Place, Stamford, Connecticut, 06902.

● **DAVID BOWIE, "THE SINGLES COLLECTION" (EMI)**. Bowie says that his work should be considered as reflecting "what is in the air at the time. The overall collection of imagery has a texture to it which feels right for the period one is writing in." The depth and width of his imagery is impressive.

This two-CD collection covers more than 20 years' worth of singles from the still engaging "Space Oddity" ("This is ground control to Major Tom...") to "Dancing in the Street." Consider the following: 1) "Diamond Dogs"



Count Basie

is as close as you can get to the Rolling Stones without being there (Ron Wood on guitar). 2) An art-rock '20s Berlin-decadent "Alabama Song" (Kurt Weill/Bertold Brecht). 3) A straight-ahead rocking rendition of the rhythm and blues classic "Dancing in the Street," with guest Mick Jagger. 4) The not-at-all dated "Young Americans," with David Sanborn's saxophone setting the pace.

The layout of the box's booklet is dumb and what little information it contains is in footnote-size print. Nevertheless, hearing these reissues makes you grateful for having had David Bowie around.

● **MESSAGE IN A BOX, THE COMPLETE RECORDINGS OF THE POLICE (A&M)**. This four-CD collection has one overriding element in common with the

Bowie box — the marriage of quality and commerciality.

In this case, the booklet should win a Grammy for full-color presentation and complete, clear biographical content (and PR hype — "Jung at heart" indeed). The music is all here, every note they ever issued from masterpieces to B sides with pimples and pretentious instrumental exercises. The Police's pretend-punk, white-reggae, bottle-blonde personality might very well have turned out to be the essence of vulgarity. The sum, however, is qualitatively spellbinding. They remind me of Weather Report's "We're the best band in the world" macho chest-pounding image as substance.

Sting has since moved up there with Peter Gabriel and Leonard Cohen as a contemporary composer/interpreter of intelligent songs. Here, pre-1986, he's less mature, but check out "Canary in a Coalmine" and his top-of-the-line jazz-informed bass lines.

Stewart Copeland is among the smartest, most talented rock drummers ever — up there with Mitch Mitchell, Dennis Chambers and Robert Wyatt, as far as top of the beat as possible without rushing.

Guitarist Andy Summers was a 35-year-old jazz, blues and rock veteran journeyman when The Police was formed in 1977. He is one underrated reason why they sound larger than a trio.

● **DIANGO REINHARDT, "L'ESSENTIEL" (EMI-FRANCE)**. Three CDs worth of the best of Django from 1936 to 1946 with the Quintet of the Hot Club of France and others including Coleman Hawkins and Dicky Wells. Too often neglected, Django was the father of modern guitar. The collection ends with the joyful "Echoses of France (La Marseillaise)," the French Gypsy swing equivalent of Jimi Hendrix's "Star-Spangled Banner." Stéphane Grappelli once called the Hot Club quintet "the first rock 'n' roll band, nobody had three guitars before us."

THE MOVIE GUIDE



Gabriel Byrne, at left, and Debra Winger in a scene from "A Dangerous Woman."

All Under the Moon
Directed by Yoichi Sai. Japan.

Chung, a Tokyo taxi driver, was born in Japan but his parents weren't. They were born in Korea. Consequently they and their children are targets of Japanese prejudice. "I hate Koreans," says one of the other drivers. "They're dirty, they stink and they're stinky. But you're all right. I like you. Lead me some money." Though stigmatized, Chung gets along. He puts up with the prejudice and has a whole stock of stories about how bad it makes him feel. These he uses for picking up impressionable young Japanese women. Yet it is Connie, a Filipina, he falls for. His colleagues are puzzled: "Why would you want to go out with such a dark-skinned person?" His mother displays some reverse racism with: "I absolutely forbid you to marry anyone except our own folk." But Chung chugs along, a hunky, happy loner who has learned not to expect too much. He knows that prejudice makes victims, but all the same wants some happiness himself. This

sane, outspoken, extremely funny film from the director of "Mosquito on the Tenth Floor" is further distinguished by perfect performances from Goro Kishitani and Ruby Moreno as the sexy, scruffy outsiders. (Donald Richie, IHT)

McEwan short story into a compassionate and thought-provoking study of human isolation, the sensitivity and beauty of which overcomes the subject's inherent gloom. (Roderick Conway Morris, IHT)

A Dangerous Woman
Directed by Stephen Gyllenhaal. U.S.

In "A Dangerous Woman," Debra Winger sinks deeply into the drab role of Martha Morgan, a sheltered innocent living in a small California town. Characters like Martha have a way of attracting the storyteller's interest at a very precise moment just before the character's peaceful existence is ruptured by some seismic force, a force like sex or death or a symbolic coming of age. "A Dangerous Woman" is soap opera enough to churn up all three. With Winger's early convincing performance as its centerpiece, the film creates a world of sexual chicanery that would do any television series proud. Martha is taken care of by her aunt Frances (Barbara Hershey), a rich, beautiful widow

involved in an extramarital affair with a state assemblyman (John Terry). That liaison starts off the film with a suitable bang, as the assemblyman's wife (Laurie Metcalf) drunkenly drives her car into the widow's front porch as a means of registering her irritation. Martha, a fragile creature in a girlish nightgown and thick glasses, watches this outburst in bewildered horror. But the film intends it as a harbinger of Martha's own act of violence, which is already in the works and will serve as the story's dramatic climax. In the story's saddest role, is Gabriel Byrne as Mackey, the handsome, hard-drinking carpenter who shows up to fix Frances's porch and manages to romance Martha along the way. The cast is attractive; holding the interest even when the story's contrivances are left needlessly exposed. But the only real focus of "A Dangerous Woman" is Winger's furiously self-effacing performance as the staves out perplexedly from behind Martha's glasses and tries to make the audience understand what Martha sees. (Janet Maslin, NYT)

HOLIDAYS & TRAVEL

HOTELS

★ ★ ★ ★
LES HÔTELS VILLA

A friendly and refined atmosphere
IN THE HEART OF PARIS
wish all Herald Tribune readers a joyous year-end holiday season and propose

**3 nights for the price of 2
FF 850/night**
along with a Lanson champagne welcome

HOTEL DES MATHURINS ****
in the heart of the theatre district, near the "grands magasins" and Madeleine. 36 rooms, underground parking. Double rooms. 43, rue des Mathurins, Paris 8th
Tél: (1) 44 94 20 94. Fax: (1) 44 94 00 44

HOTEL RESIDENCE BASSANO ****
2 minutes Champs-Elysées. 31 rooms. Double rooms. 15, rue Bassano, Paris 16th
Tél: (1) 47 23 78 23. Fax: (1) 47 20 41 22

Half Moon
Great Tennis & Beach Club
MONTEGOVIA, JAMAICA
WINTER RESORTS FOR VISITORS

HOLIDAY RENTALS

CARIBBEAN

St. Barts/Venety, E.W.I., Over 700 Private Vacation Villas • beach front to inland with pools. Our agents have inspected all villas personally. For reservations on St. Barts, St. Maarten, Anguilla, Barbados, Bahamas, the Virgin Islands • Call WMC/SH-ADRI • U.S. (401) 699-0100/24 hours. Fax: (401) 699-1300. ENGLAND 0-800-89-8318

GREAT BRITAIN

LONDON NR BUCKINGHAM PALACE
Luxurious apartment available for holiday let during 4 Phase telephone Kings 44 935 7293 or 44 93 29226

PARIS & SUBURBS

PERME LOCATION in Paris, 2 bedrooms. 17 Dec. / 1 Jan. Tel: (33) 1 45 77 70 00 Fax: 45 77 87 87

PHILIPPINES

ADMIRAL HOTEL, 2108 Rizal Blvd., Manila, Philippines. Tel: 5210711. Telex: 7424068 ADMOTEL PH. First class, 110 rooms facing Manila Bay.

ITALY

ROME, HOTEL VICTORIA ****
modern, rates, restaurant, covered, opposite Villa Borghese, park, garage. Tel: 4-67791. 06/6121. Fax: 467189

ACCESS VOYAGES
One Year Round Trip
New York F109 F202
London 1600 F70
& 450 more destinations around world on 41 different scheduled carriers. Sanctions may apply
Tel: 1-40 13 02 02 or 1-42 21 44 94
Fax: 1-48 08 82
Mikhail Sidel ACCESS VOYAGE
6 rue Pierre Lescot, 75001 Paris
Médecin, 108, Boulevard des Halles
(R.C. 173111)...and also

ACCESS IN LYONS
Tel: (14) 78 63 67 77
Book now by phone with credit card

DAILY FLIGHTS AT LOWEST FARES
to any major North America city, depart. Tel: 87 Paris 03-11 47 04 67 51.

SKI

FRANCE

AVORIAZ, OWNER RENTS very beautiful apartments on the slopes. 6 Call Paris (1) 42 20 08 19.

HOLIDAYS & TRAVEL
COPENHAGEN, comfortable apartments, furnished-serviced. Short stay welcome. CITELET + 45-1271834.

USA - SUMMER 1994
800 YOUR TEAM QUARTER
Use the U.S. team number and be a part of the largest sporting event in the world!
LIMITED V.I.P. SEATS ARE STILL AVAILABLE IN MOST OF THE 9 CITIES
Travel accommodations available. Tel: (818) 972-3041 USA

INDONESIA • Erupting volcano is snuffing! Watch the fireworks & cruise to a tropical island with 30 or so private villas. Includes air, hotel, & a magnificent grounds of South Sumatra. Departure weekly through Mergo with P&O Star Island Cruises. Details fax Indonesia 62 (1) 562-2488 with mailing address: P.O. Box 7992, C/O. Mergo, Bali, Indonesia. Tel: 62 (81) 423-7777

COOKERY SCHOOLS
COOKING COURSES with Gordon Ramsay chef in a charming country house south west of France. Tel: (33) 47 52 10 33. Fax: (33) 47 52 10 33

TO PLACE AN AD IN THIS SECTION

Call **FRED RONAN** in Paris
(33-1) 46 37 93 91
or Fax
(33-1) 46 37 93 70

TRAVEL

HISTORIC TOURS OF U.S.A. IN 1988 CAROLINA
WYTHE DRIVER GUIDES
AMERICAN DREAM SAFARI
P.O. Box 536
McHenry, Canada G7A400
Tel: 313-541-3000
Fax: 303-656-0302

FRANCE

PLAZA MIRABEAU
NEAR SEINE & EFFEL TOWER
Long stay, 40 to 52 sq.m. apartments with fully equipped kitchen, hotel service. Family discounts. Close Metro Javel. 10 Avenue Sadi Carnot 75015 Paris
Tel: (33-1) 45 77 70 00 Fax: 45 77 87 87

HOTELS

LEBANON

HOTEL AL BISTAN, East of Beirut. 5 star de Luxe. Exceptional location, security, comfort, fine dining, conveniences, business services, facilities. 18 min. transfer from airport free. Fax: 1-217-631791. (33-1) 49003003. Member: UFI, IATA, Worldwide

HOLIDAYS & TRAVEL
appears every Friday

For information call Fred Ronan in Paris on 46.37.93.91
or your local IHT representative (List in Classified Section)

GUCCI

Firenze • Milano • Roma • Barcelona • Brussels • Cannes • Copenhagen • Dublin • Geneva • London • Madrid
Paris • Zurich • Bangkok • Hong Kong • Jakarta • Kuala Lumpur • Manila • Seoul • Singapore • Taipei • Tokyo

HEARTS

■ A sign of the times, surely, but what sign exactly (or what times)? The newest Victorinox Swiss Army Knife to reach an American mail-order catalogue called Hearts has replaced the corkscrew with a Phillips screwdriver.

GIVE SCOTLAND'S FINEST TO FRIENDS IN THE U.S.

Michaels' premium Smoked Scottish Salmon delivered within 48 hours - to any address in the U.S. Ideal gifts for the holidays.

1lb. Side \$34.95 • 2 lb. Side \$64.95
6-Four oz. packs \$54.95
(plus \$4.95 shipping per item)

Mail, fax or phone your order giving both your own and the recipient's full name and address. Items to be delivered, gift message, and payment by check, U.S. dollar credit card number and expiration date. (Mastercard / Access / Visa)

Michaels Ltd., 2000 Washington Ave., Baltimore, MD, 21201.
Tel: 800-368-7870, or 410-694-7770.
Fax: 410-694-0625, or in the UK: 24 Ramsey Garden, Edinburgh, EH1 2NA.
Tel: 011-225-6207.

سكّذا من الأصيل

LEISURE

THE ARTS GUIDE

The Growing Threat of Malaria

By Roger Collis
International Herald Tribune

THE World Health Organization says that at least 200 million people catch malaria each year, resulting in around 2 million deaths worldwide. In 1991, more than 1,000 cases were reported in the United States and about 10,000 in Europe — 1,200 in Britain alone. Almost one in every 100 visitors to West Africa gets malaria.

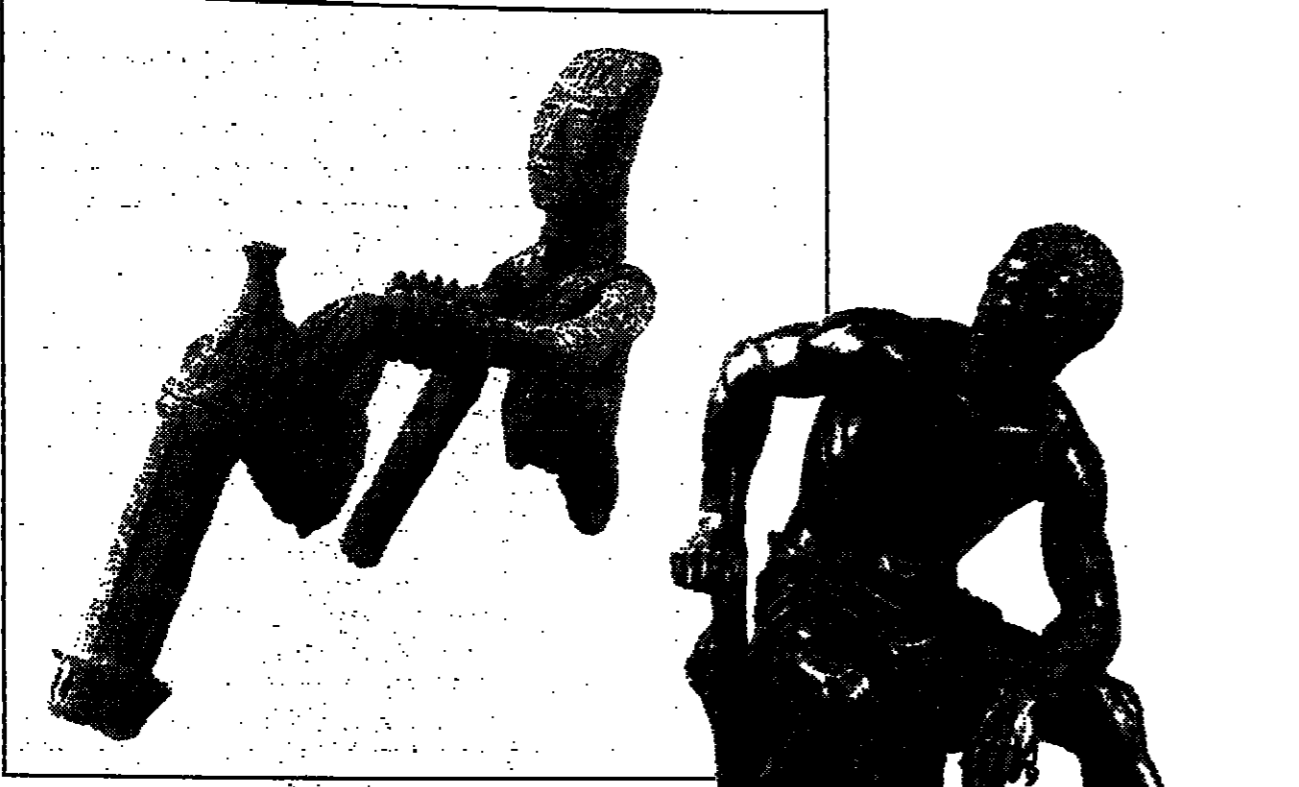
not recommended for travelers taking "beta-blockers" for heart conditions. And it can induce vertigo, nausea and serious neuro-psychiatric effects.

ternative now for very high-risk areas — where all other drugs fail — is quinine-doxycycline, a new thing.

The Frequent Traveler

cy therapy [three tablets of Fansimef] — a combination of Fansidar and Larium] in case they have fever and cannot reach a doctor within six hours.

Malaria often escapes detection because it mimics other diseases, with symptoms ranging from fever, headaches, chills and sweating, to stomach pains, jaundice, diarrhea, or just feeling lousy. Malaria can break out as long as a year after infection — especially if antimalarial drugs have been used.



Art from Niger in Paris; bronze figure in New York.

AUSTRIA

Vienna
Museum des 20. Jahrhunderts, tel: 78-25-50, closed Wednesdays. To Jan. 9: "Denise." Pictures, sculptures, objects and installations by contemporary Czech and Slovak artists.

FRANCE

Paris
Bibliothèque-Musée de l'Opéra, tel: 47-42-07-02, daily. To Feb. 27: "Voyages d'Opéra." Nineteenth-century drawings, watercolors and gouaches of costumes and sets for operas that take place in Oriental or exotic settings.

BELGIUM

Antwerp
L'Europe à Table, tel: (3) 233-02-84. To Dec. 31: Several museums explore the world of gastronomy. The Musée Plantin exhibits recipe books dating back to the 17th century; the Bourse du Commerce hosts an exhibition of drawings, books, and objects used in the dining rooms of the Antwerp bourgeoisie at the turn of the century, and the Maison des Bresseurs reveals the secrets of beer production.

Musée Marmottan-Claude Monet, tel: 42-24-07-02, closed Mondays. Continuing/To Dec. 31: "Hommage aux Femmes Impressionnistes." Works by Berthe Morisot, Mary Cassatt and Eva Gonzales.

BRUSSELS

Musée d'Art Ancien, tel: (2) 509-32-11, closed Mondays. To Feb. 27: "Les XX et La Libre Esthétique, Cent Ans Après." Features the works exhibited under the aegis of the two audacious Belgian associations between 1884 and 1914. Includes works by Saurat, Bonnard, Ensor, Van de Velde and Khnopff, among others.

Musée de l'Orangerie

tel: 42-97-48-16, closed Tuesdays. Continuing/To Jan. 3: "Les Arts à Paris chez Paul Guillaume, 1912-1935."

Musée de la Ville de Paris

tel: 40-49-48-65, closed Tuesdays. Continuing/To Jan. 2: "From Cézanne to Matisse: Masterpieces from the Barnes Foundation in Philadelphia."

Musée des Augustins

tel: 61-22-21-82, daily. To Jan. 17: "L'Or des Steppes: Des Soythies aux Mongols." Features 200 gold items from the nomadic tribes who traveled from China to the West, including the Scythians, the Huns, the Sarmatians and the Mongols.

BRITAIN

Cambridge Fitzwilliam Museum, tel: (223) 832-800. To Jan. 9: "Robert and the Court of Henry VIII." Marking the 450th anniversary of the death of Holbein the Younger, the exhibition features portraits and miniatures of Court members, soldiers, politicians, family and friends, including Sir Thomas More, Richard Southwell and the poet Henry Howard.

GERMANY

Cologne Josef-Haubrich-Kunsthalle, tel: (221) 2-335. Continuing/To Jan. 2: "Von Malewitsch bis Kabeckov: Die russische Avantgarde im 20. Jahrhundert." Features 600 paintings, collages, drawings, gouaches and photographs from the pre-Revolution era to the post-Stalinist reaction.

CANADA

Montreal Musée des Beaux-Arts, tel: (514) 285-2000, closed Mondays. To Jan. 9: "Design 1935-1965: Ce Qui Fut Moderne." Over 250 pieces — furniture, ceramics, glassware, textiles, jewelry and posters illustrating the evolution of design in the mid-20th century.

HAMBURG

Hamburgische Staatsoper, tel: (40) 35-88-454. Puccini's "La Bohème," conducted by Erich Wächter, with Miriam Gauci, Helen Kwon, Michael Sylvester and Franz Grundheber. Dec. 17, 20, 29 and Jan. 1.

CZECH REPUBLIC

Praha Smetana Hall, tel: (2) 226-14-51. Sefir Ozawa and the Boston Symphony Orchestra conclude their European tour with an all-Dvorak gala concert featuring Yo-Yo Ma, Frederic von Stade, Izhak Perlman and Rudolf Firkušný. Dec. 16.

HAMM

Gustav-Löbbecke-Museum, tel: (2381): 17-29-39. To Feb. 27: "Gegen: Geheimnis der Grafik." The exhibition deals with an-

cient Egypt's obsession with the afterlife and displays artifacts found in tombs, as well as reproductions of now sealed tombs.

HONG KONG

Museum of Art, tel: 734-2187, closed Thursdays. To Jan. 2: "Treasures of Chang'an, Capital of the Silk Road." An exhibition of Chinese bronzes from the Warring States period (475-221 B.C.).

ITALY

Venice Museo Correr, tel: (41) 52-06-288. To April 4: "Pietro Longhi," 50 paintings, 35 drawings and 14 prints by the 18th-century Venetian painter famous for his ironical description of Venetian life and manners.

JAPAN

Kyoto The Museum of Kyoto, tel: (75) 222-0888, closed Dec. 15. To Dec. 28: "Toulouse-Lautrec and Japonism." About 90 paintings, sketches, prints and posters showing the painter's interest in Japan.

NETHERLANDS

Amsterdam Tropenmuseum, tel: (20) 56-89-215. Continuing/To Jan. 2, 1994: "Jewelry of Old Javanese Gold: 4th-15th Century."

SINGAPORE

Empress Place Museum, tel: 336-73-33. Continuing/To July 1994: "War and Ritual: Treasures of the Warring States period (475-221 B.C.)."

SPAIN

Madrid Museo Nacional Centro de Arte Reina Sofia, tel: 467-53-82, closed Tuesdays. To Jan. 13: "Vienna 1900." More than an evocation of painters such as Klimt, Schiele or Kokoschka, this exhibition is a reconstruction of fin-de-siècle Vienna. Among the more 450 pieces, can be found sections on architecture (Hofmann), literature (manuscripts by Musil and Freud) as well as music (Mahler, Schoenberg) collectively emphasizing the far-reaching influence of the city prior to the collapse of the Austro-Hungarian empire.

SWITZERLAND

Geneva Petit Palais, tel: (22) 348-14-33, daily. To Jan. 30: "De Matisse a Kandinsky." From Fauvism to Expressionism, works by Kandinsky, Matisse, Braque, Vlaminck, Dufy and van Dongen.

UNITED STATES

New York National Academy Museum, tel: (212) 369-4880. To Feb. 27: "American Dimensions." Includes 36 free-standing and relief sculptures in plaster, marble and bronze by artists such as Horatio Greenough and James Earl Fraser, John Quincy Adams Ward.

ELIMINATE THE ITCH

Do avoid mosquitoes. If you're outdoors, wear long-sleeved shirts and use a repellent containing DEET. Remember malaria mosquitoes bite mostly at dusk and through the night. Avoid perfume.

TAKE YOUR MEDICINE

Do seek expert medical advice on the best antimalarial medication for the region you are visiting. Take the tablets for at least a month after you return.

IN CASE OF EMERGENCY

Do take an emergency supply of drugs for treatment of a malaria attack. This

DO'S AND DON'TS

important for high-risk areas such as East Africa and the Thailand-Cambodia border regions.

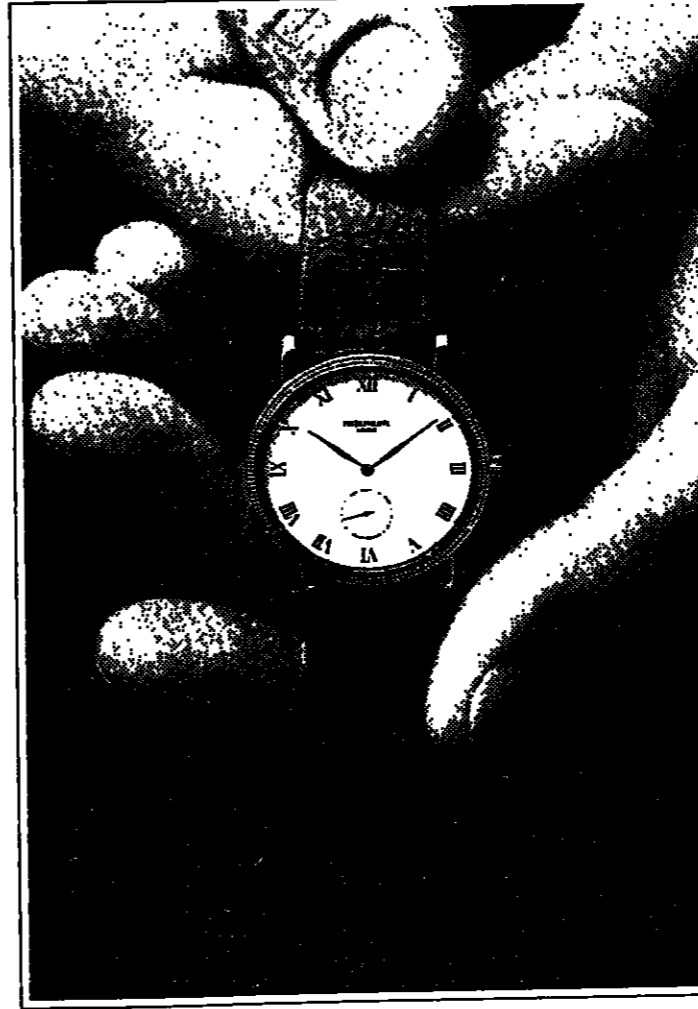
KNOW THE SYMPTOMS

Don't neglect flu-like symptoms after returning from a malaria region. These may include fever and chills, headache, sore joints, diarrhea, or just general malaise. See a doctor within 12 hours.

KEEP REPELLENT HANDY

Don't pack your insect repellent in a checked suitcase. Carry a can or stick with you at all times. There is always risk of mosquitoes on your plane and at the airport.

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time. If



a particular Patek Philippe movement requires four years of continuous work to bring to absolute perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.

PATEK PHILIPPE
GENEVE

Patek Philippe S.A.
41, rue du Rhône - 1211 Geneva 3 - Switzerland

LEICA R6.2
FASCINATION FOR A LIFETIME

The freedom to see.

WELCOME WITH A SMILE!

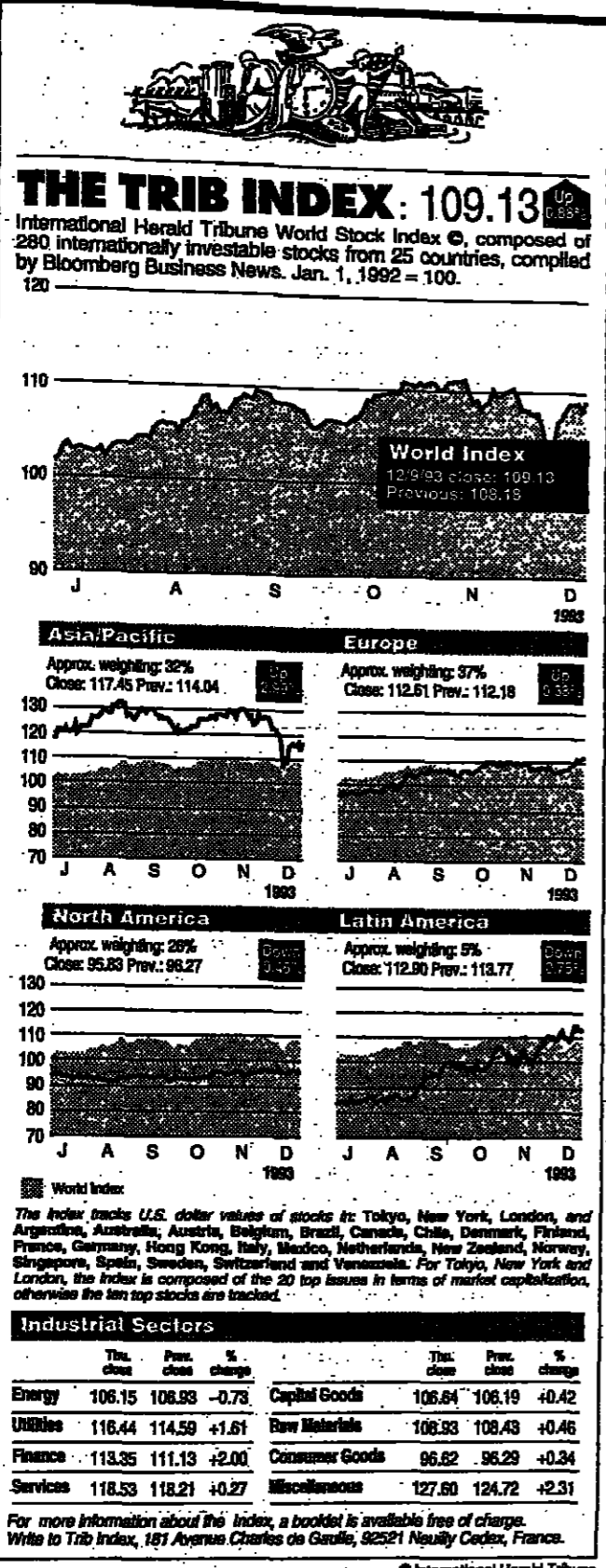
to 27 destinations in 23 countries and 3 continents

Genuine care for your safety and comfort.
Delicious dishes, delectable cuisine to touch the heart of the most discerning passenger.

Welcome to a whole new world!
A world of smiles and friendliness.

LEARN TO FLY
BANGKOK BANGLADESH AIRWAYS

ABU DHABI AMSTERDAM ATHENS BANGKOK BOMBAY CALCUTTA DELHI DUBAI DOHA FRANKFURT HONG KONG JEDDAH KATHMANDU KARACHI KUALA LUMPUR KUWAIT LONDON MUSCAT NEW YORK PARIS RANGOON RIYADH SINGAPORE TOKYO



Key Ruling Gives QVC An Edge on Paramount

WILMINGTON, Delaware — The Delaware Supreme Court on Thursday upheld a ruling stripping Paramount Communications Inc. of key anti-takeover defenses. The decision dealt a blow to Paramount's plans to merge with Viacom Inc. and gave the hostile bidder, QVC Network Inc., a better shot at the entertainment and publishing giant.

Some observers expected the ruling to set off a new round of bidding for Paramount, with Viacom trying to match or surpass QVC's higher offer. Others said it could prompt Viacom's chairman, Sumner Redstone, to decide the company is overpriced and not worth a higher sum. He may decide to walk away with a \$100 million termination fee rather than pursue Paramount further, they said.

Although the ruling came after trading had ended on the New York Stock Exchange, investors seemed to expect that the decision might trigger further bidding for Paramount. Its shares rose \$2.75, to close at \$82.

Based on late prices, QVC's offer for Paramount is valued at about \$84.31 a share, or \$10.5 billion, and Viacom's offer is valued at \$79.32 a share, or \$9.9 billion.

The state Supreme Court affirmed a Chancery Court decision on Nov. 24 that said Paramount's directors had violated their duty to shareholders when they tried to deploy the company's "poison pill" defense against QVC but did not also apply it to Viacom.

The justices said the directors, while hoping to preserve their merger with Viacom, had failed to properly investigate the QVC offer.

Paramount's directors had recommended the company's shareholders accept a friendly takeover bid from Viacom, made Sept. 12, and ignore a higher offer from QVC, made eight days later.

Chief Justice Norman Veasey, reading the court's opinion, said Paramount, in trying to merge with Viacom, effectively put itself up for

GATT Takes a Star Turn Trade Group Steps Out of Obscurity

By Roger Cohen
New York Times Service

GENEVA — In the days when the world focused on the number of warheads in the East and the West rather than the number of tons of subsidized beef the European Community could export, the bureaucrats at the General Agreement on Tariffs and Trade labored in peaceful anonymity.

Asked how many calls a day he used to receive when he became GATT's chief spokesman 10 years ago, David Woods replied: "A day? You must mean a week. A couple at most. The place was asleep — depressed, actually."

But that was the time of Soviet-American surrogate wars, rather than French-American battles over the production of vegetable oil. Now, as nations have moved from military buildups to contentions over commerce, GATT has moved to center stage.

"It has been an amazing evolution," said Tom Kay, a former U.S. Agriculture Department official. "I am still somewhat taken aback by it."

GATT is also adjusting, scurrying to keep up with its booming fortunes.

Cameras whirl without letup in the entrance hall as dignitaries file in. Two calls a week to the press department have become several hundred a day.

An ad displayed in the headquarters building for a T-shirt with the words "Uruguay Round" urges prospective buyers to "wear the letters that are making headlines." It refers not to a soccer tournament, but to the negotiations on updating and broadening world trade rules that began seven years ago in Punta del Este, Uruguay, and will either be concluded or crash over the next several days.

Sales of the T-shirt, at \$13 each, have been brisk.

IBM Reluctant To Join Bail-Out Of Groupe Bull

By Jacques Neher
International Herald Tribune

PARIS — France's effort to bail out Groupe Bull, its state-controlled computer company, took a small step forward but may have also taken a large one back on Thursday.

NEC Corp. of Japan, a minority shareholder, said it would chip in \$65 million to a \$1.5 billion recapitalization plan. But IBM, which also owns a small slice of Bull, hinted it would not put any more money in the unprofitable computer company.

A negative decision by IBM would carry heavy symbolic weight in Brussels, where the executive commission of the European Community is investigating France on suspicion that it has been unfairly propping up Bull in an effort to maintain what the government views as a strategically important national computer industry. The commission has taken a hard line on unfair state aid in recent years.

IBM, which as part of a technology accord last year invested \$100 million in Bull in exchange for a stake of 3.7 percent, would not comment on whether it planned to participate in the cash call. But company sources, pointing to IBM's own financial problems and the lack of a restructuring plan for Bull on which to base a decision, said it most likely would not.

"Now isn't the best time, even if we thought it was a good investment," said a source at IBM Europe. "We have to answer to our own shareholders. Business is all about priorities."

IBM and NEC, which owns 4.4 percent of Bull, last month were invited to put up a total of 700 million francs (\$120 million) in order to maintain their holdings. If IBM does not go along, its stake would be diluted to less than 1 percent.

A shareholders meeting is set for Wednesday to decide Bull's recapitalization. Announced last month, the plan calls for the state, which owns 72 percent of Bull's shares, to

Seoul Reluctantly Allows Rice Imports

By Reuters

SEOUL — President Kim Young Sam, apologizing for breaking his election pledge, said Thursday that South Korea would have to end its longstanding ban on rice imports.

"I apologize to the public, feeling keenly the responsibility of not keeping my promises," he said on television. "I was unable to prevent the opening of the rice market."

Mr. Kim said he had to accept rice imports to enhance South Korea's position in the current Uruguay Round of trade talks under the General Agreement on Tariffs and Trade. "I had no choice but to seek competition and cooperation inside the GATT system rather than to seek isolation in international society," he said.

Japan also is due to announce a decision on its rice market this week. Despite opposition from angry farmers and the Social Democratic Party in the governing coalition, Tokyo is expected to announce a gradual market opening as well.

In Tokyo, the chief cabinet secretary, Masuyoshi Takemura, was asked Thursday whether Japan would have to delay an announcement on rice imports because of Socialist opposition. He replied: "We have said it will be this week, and that idea has not changed."

WALL STREET WATCH

Are Mutual Funds Past Their Peak?

By Tom Petrucci
Los Angeles Times Service

WHEN investment giants such as John Templeton and Howard Stein decide to sell the mutual fund companies they have built over three decades, clocking and head shaking naturally follows on Wall Street.

Do these brilliant investors know something? Is it time to get out of stocks and bonds — or at least out of mutual funds?

Those questions dogged Mr. Templeton a year ago, when he sold his fund group to a competitor, Franklin Resources, for \$913 million. They're the same questions being asked of Mr. Stein now, after Monday's announcement that Mellon Bank Corp. will buy his Dreyfus Corp. fund company for \$1.7 billion.

With the stock bull market 37 months old and wearying, and with interest rates at 20- to 30-year lows, it is fair to ask how much better things can get for stock and bond markets. When the next bear market arrives, it is logical to assume that more than a few of the millions of investors who have piled into mutual funds since 1990 will suddenly want out.

The fact that a bank is buying Dreyfus only bolsters concerns that the fund industry is peaking. "The banks have been wrong on everything they've ever done before," says John Fossil, president of the Oppenheimer Funds in New York.

He was exaggerating, but maybe not much. The banks poured into Third World lending in the late 1970s, commercial real estate lending in the mid-80s and takeover financing in the late-80s, and all those forays ended in disaster.

Now the bankers desperately want to be in the fund business.

"Clearly the fund industry is in a fad stage now," concedes John J. Brennan, president of Vanguard Group, the second-largest U.S. mutual fund company. In financial history, he says, "there have been few crazies like the banks' entry into the fund business in recent years."

The banks are following their customers, who have pulled \$382 billion from small savings certificates since 1990. Much of that

'Clearly the industry is in a fad stage now... There have been few crazies like the banks' entry into the fund business in recent years.'

John J. Brennan, president of Vanguard Group

money has flowed into mutual funds, in search of higher returns. For example, Fidelity Investments, which had \$75 billion in assets five years ago, today has assets above \$226 billion.

But every fad eventually fades. Are the banks, as usual, too late?

Mr. Stein of Dreyfus answers that with a yes and a no. He suggests that many banks will have an extremely difficult time making much of their fund businesses in the 1990s, because they will never reach the critical mass necessary to compete with the industry's giants. Indeed, the largest U.S. bank-owned mutual fund operation is run by Mellon rival PNC Bank Corp., which has just \$19 billion in assets.

But the Mellon purchase of Dreyfus, he notes, catapults Mellon to sixth place in total fund assets, with \$77 billion. The goal, Mr. Stein said, is to link Dreyfus's huge fund-management operations with Mellon's extensive trust and estate services unit, to offer investors a complete menu of financial planning and investment management services.

"I'm talking about a program that could take care of all financial needs," says Mr. Stein, 67, who will continue to run Dreyfus. But he adds that the Mellon/Dreyfus deal is more about providing advice than simply providing product. Fund companies' inability to provide advice to clients, he notes, is perhaps the industry's greatest limitation.

Mr. Stein does not believe that the mutual fund boom will end in disaster. Where, he asks, are investors going to run if they decide to leave the funds? Back to 3 percent pass-book savings accounts?

"The saving era is over," Mr. Stein argues. "An investing era is developing." In a sense, he and others say, Americans lived in a fantasy world for much of this century, thanks to strict bank savings regulation and the blanket of federal deposit insurance.

But historically, people's savings have not been protected by government; how well you invested determined how well you lived.

The argument for the long-term growth of the fund industry is that we are returning to what is normal, meaning that people with money must choose a certain level of risk for a certain expected reward.

Metallgesellschaft Unit to Sell M.I.M. Stake

Compiled by Our Staff From Dispatches

TORONTO — Metall Mining Corp., a Canadian company in which Germany's beleaguered Metallgesellschaft AG has a controlling stake, said Thursday that it planned to sell its 14 percent stake in M.I.M. Holdings Ltd., the Australian mining company.

Executives of the Canadian company denied the sale was related to the mounting losses and payment problems of the German parent.

In a separate deal announced Wednesday, Metallgesellschaft, a metals and trading conglomerate, said it would sell 11.6 million Metall shares for 10.75 Canadian dollars (\$8.12) each, reducing its Metall stake to 50.1 percent from 64 percent.

On Thursday, it was announced that Metallgesellschaft would gross about \$50 million by selling a minority interest in Methanex Corp. in conjunction with a larger sale by Fletcher Challenge Ltd. (Page 14)

In the other deal on Thursday, Bain Securities Ltd. and McIntosh & Co., both Australian securities firms, will buy 100 million shares of M.I.M. from Metall for 235 million Australian dollars (\$157.5 million) and also purchase options on Metall's remaining 75 million M.I.M. shares for 16.3 million. Bain and McIntosh intend to resell the acquired shares.

"We have very extensive plans with respect to our own projects and the projects need financing," said Klaus Zeidler, Metall's president and chief executive. "I think an opportunity arose," he said.

Mr. Zeidler, a vice president in Metallgesellschaft's mining department before coming to Canada in 1975, said Metall's decision to sell its M.I.M. stake had nothing to do with the parent's futures problem.

It was "always a question from analysis and shareholders' whether we would sell our stake in M.I.M.," Mr. Zeidler said. "They were interested in us becoming an operating company rather than a holding company," he said.

Metallgesellschaft originally intended to sell some of its Metall shares in September through a secondary offering by the company, Mr. Zeidler said. But he added that "we couldn't get the price we wanted" for the shares because people were worried about copper prices.

Metall expects to post a gain of 14 million Canadian dollars (\$10.5 million) from the sale of the shares and a further gain of 40 million dollars if all the call options are exercised, Mr. Zeidler said.

Metallgesellschaft has run into trouble lately because its U.S. subsidiary bought oil futures as prices tumbled. (Bloomberg AFX)

CURRENCY & INTEREST RATES

Dec. 9									
Cross Rates									
Australian	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Canada	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
France	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Germany	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Japan	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
UK	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Switzerland	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Other Dollar Values	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Forward Rates	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Eurocurrency Deposits	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Key Money Rates	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
Gold	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375

French Bank Replenishes Its Reserves

Compiled by Our Staff From Dispatches

PARIS — The Bank of France's net foreign-exchange reserves are now firmly in positive territory, eliminating one of the factors that had weighed down the franc in recent months, figures released Thursday show.

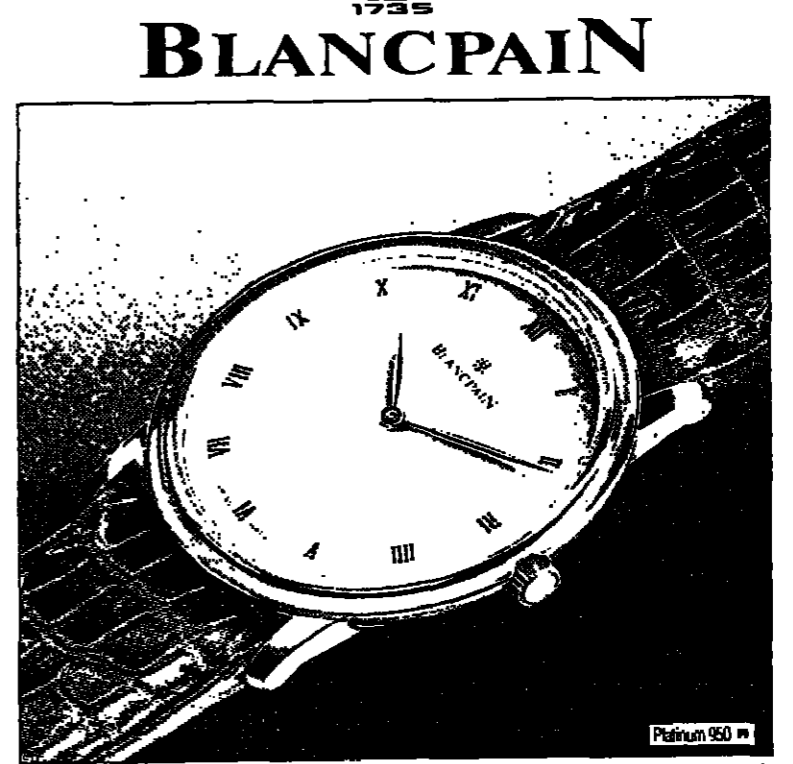
According to estimates by the French bank Credit Lyonnais, the central bank's reserves increased by 1.84 billion French francs (\$300 million) in the week to Dec. 2, to stand at the equivalent of 11.02 billion francs. The reserves had fallen deeply into the red during last summer's crisis, when the European Monetary System, which led to an effective devaluation of the French currency.

The replenishing of the central bank's reserves — Credit Lyonnais estimates they went back into the black in the week ended Nov. 18 — has helped to ease pressure on the French currency in the past two weeks. The franc moved Wednesday back above its pre-crisis floor of 3,430.5 Deutsche marks and ended in European trading Thursday within its old limits, at 3,428 DM.

The increase in reserves in the latest week is among the lowest since early August. In the week ended Nov. 2, reserves rose by a mere 850 million francs, Credit Lyonnais calculates.

"The relatively low figure is consistent with what the foreign exchange market is telling us," said Valerie Asselot, an economist at the French bank. "You can't replenish reserves and have a very strong franc."

One reason why the franc is so strong is that the Bank of France has refrained from selling francs



BLANCPAIN

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

BENOIT DE GORSKI
80 RUE DU PHOENIX 1204 GENEVE TEL 281330
CHERRY PLAZZ STRAED TEL 0200-0165

col-
the-
ies:
ects
:nce

m-
tave
the
aris-
) of-
ild
rue,
to mg

as a
ter
ale,
the
igh-
with
nal
ity
to of-
sight-
gen-
ad
to

ned
1 as
jar
ate
with
ero
ch
led
s.

to
the
ny
the
for
at
- a
ces
es,
re-
of
its
p,
ity
in
15
as
is-
il-
at
es

he
ss-
t-
e.

MARKET DIARY

Stocks End Lower On Inflation Report

NEW YORK — The stock market retreated Thursday, reflecting a sell-off in technology issues and profit-taking after several winning sessions for blue chip companies.

The Dow Jones industrial average, which climbed 15.65 points, to a record on Wednesday, declined 4.75 points to 3,729.78. Declines topped advances by a ratio of 11-to-8 on the New York Stock Exchange.

Inflation news gave traders pause for concern. Anticipation of another inflation report being released Friday kept investors cautious and unwilling to make big commitments in the market.

The Labor Department's overall November retail, showing inflation at the wholesale level held steady. But the so-called core rate, which excludes food and energy, increased 0.4 percent last month, double the expected amount.

Bonds set the course for stocks Thursday. After a sell-off in the early going, bond prices recovered to show moderate gains by midday. But renewed selling in the afternoon ahead of the Consumer Price Index report spilled over into stocks.

Treasury securities did end most of the day higher, with the bellwether 30-year Treasury bond ahead 11/32, to 101 13/32. The issue's yield eased to 6.15 percent from 6.16 percent.

On the New York Stock Exchange, Hanson PLC paced the actives, unchanged at 19 1/4. Its shares were up earlier on reports an agreement had been reached with the United Mine Workers over a strike at the company's Peabody coal unit.

Telephone of Mexico followed, off 1/4 to 60 1/4. Its shares rallied Wednesday as President Bill Clinton signed the North American Free Trade Agreement into law.

National Semiconductor was third, off 1/4 to 14 1/4 despite reporting fiscal second-quarter earnings of 46 cents a share compared with 27 cents in the year-ago period.

Novell led the Nasdaq actives, plunging 3/4 to 19 1/4 after rating downgrades from Lehman Brothers and Ladenburg Thalmann. After the market closed Wednesday, the computer-network-software producer reported fourth-quarter earnings of 22 cents a share, compared with 23 cents a year ago.

Semiconductor issues fell. Late Wednesday, the industry's trade group said its ratio of orders to billings fell to 0.99 in November from 1.00 in October.

Traders sold dollars after the government said prices wholesalers pay for goods were steady in November. "This report gives the Fed one less reason to raise interest rates," said David De Rosa, director of foreign-exchange trading at Swiss Bank Corp. "If there is no inflation, the Fed won't jeopardize the recovery with a rate increase."

Prospects for rising rates often bolster the dollar, because higher rates make U.S. deposits more attractive. The dollar finished at 1.7037 Deutsche marks, down from 1.7090 DM late Wednesday. It fell to 108.66 yen from 108.90 yen.

The dollar also declined to 1.4650 Swiss francs from 1.4695 francs, and to 5.8388 French francs from 5.8525. The British pound eased to \$1.4945 from \$1.4947.

The dollar rose just after the producer price index was released because the core rate of the inflation gauge — excluding volatile food and energy prices — rose 0.4 percent. The dollar declined as traders discounted the rise, which was attributed to higher automobile prices.

"Auto prices are very volatile," said Amy Smith, currency-market strategist at IDEA, a consulting firm. "People don't see inflation as much of a threat."

Paramount directors "had a duty to continue their search for the best value for stockholders," he said. Paramount had argued it made a "strategic" merger with long-term value, and did not have to open itself up to all prospective buyers.

The Supreme Court also upheld the lower court's ruling overturning stock options granted to Viacom as part of its original merger deal. The stock options would add hundreds of millions of dollars to QVC's takeover costs.

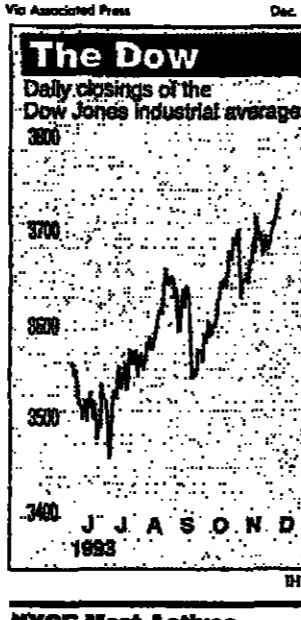


Table titled 'Dow Jones Averages' showing various market indices like Industrials, Finance, and Commodities with their respective high, low, and close values.

Table titled 'NYSE Most Actives' listing the most active stocks on the NYSE, including Novell, National Semiconductor, and Hanson PLC.

Table titled 'NYSE Diary' providing a summary of market activity, including advanced and declined issues, total issues, and volume.

Table titled 'Amex Diary' providing a summary of market activity on the American Stock Exchange.

Table titled 'NASDAQ Diary' providing a summary of market activity on the Nasdaq stock market.

Table titled 'Dow Jones Averages' showing various market indices like Industrials, Finance, and Commodities with their respective high, low, and close values.

Table titled 'NYSE Most Actives' listing the most active stocks on the NYSE, including Novell, National Semiconductor, and Hanson PLC.

Table titled 'NYSE Diary' providing a summary of market activity, including advanced and declined issues, total issues, and volume.

Table titled 'Amex Diary' providing a summary of market activity on the American Stock Exchange.

Table titled 'NASDAQ Diary' providing a summary of market activity on the Nasdaq stock market.

Table titled 'EUROPEAN FUTURES' showing various futures contracts like Food, Metals, and Stock Indexes.

Table titled 'Metals' showing various metal futures contracts like Aluminum, Copper, and Zinc.

Table titled 'Financial' showing various financial futures contracts like 3-Month Sterling and 3-Month Eurodollars.

Table titled 'S&P 100 Index Options' showing various options contracts for the S&P 100 index.

Table titled 'U.S. FUTURES' showing various U.S. futures contracts like Grains, Metals, and Livestock.

Table titled 'Livestock' showing various livestock futures contracts like Cattle and Hogs.

Table titled 'Food' showing various food futures contracts like Corn, Soybeans, and Wheat.

Table titled 'Stock Indexes' showing various stock index futures contracts like S&P 500 and Dow Jones.

Table titled 'Commodity Indexes' showing various commodity index futures contracts like Energy and Agriculture.

Table titled 'U.S. AT THE CLOSE' showing various U.S. stock market indices and their closing values.

Table titled 'Latin American TV Venture Is Ended' providing news about the termination of a television venture in Mexico.

Table titled 'Fletcher Sells Its Stake in Methanex' providing news about Fletcher's sale of its stake in Methanex.

Table titled 'Nynex and Prodigy Seek Partners' providing news about Nynex and Prodigy seeking partners for a joint venture.

Table titled 'Newmont Moves to Combine Unit' providing news about Newmont's move to combine a unit.

Table titled 'Saudi Investors Pump Cash Into UPI' providing news about Saudi investors pumping cash into UPI.

Table titled 'For the Record' providing news about various corporate transactions and events.

Table titled 'RESERVES: France Rebuilds' providing news about France's efforts to rebuild its reserves.

Table titled 'DEAL: Court Boosts QVC's Bid' providing news about a court decision boosting QVC's bid.

Table titled 'WORLD STOCK MARKETS' showing various international stock market indices and their closing values.

Table titled 'Amsterdam' showing various stock market indices for the Amsterdam stock exchange.

Table titled 'Brussels' showing various stock market indices for the Brussels stock exchange.

Table titled 'Frankfurt' showing various stock market indices for the Frankfurt stock exchange.

Table titled 'London' showing various stock market indices for the London stock exchange.

Table titled 'Milan' showing various stock market indices for the Milan stock exchange.

Table titled 'Paris' showing various stock market indices for the Paris stock exchange.

Table titled 'Sao Paulo' showing various stock market indices for the Sao Paulo stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Toronto' showing various stock market indices for the Toronto stock exchange.

Table titled 'Sydney' showing various stock market indices for the Sydney stock exchange.

Table titled 'Tokyo' showing various stock market indices for the Tokyo stock exchange.

Table titled 'Zurich' showing various stock market indices for the Zurich stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Montreal' showing various stock market indices for the Montreal stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

Table titled 'Stockholm' showing various stock market indices for the Stockholm stock exchange.

EUROPE

VW Sees 1993 Loss Of 2.3 Billion DM But No 1994 Deficit

WOLFSBURG, Germany — Chief Executive Ferdinand Piëch of Volkswagen AG, Germany's largest carmaker, said Thursday it expected a net consolidated loss of 2.3 billion Deutsche marks (\$1.35 billion) for 1993, compared with a profit of 147 million DM in 1992.

But he said that the company was likely to break even at the consolidated level next year and that the parent company would post a net profit of 60 to 80 million DM this year. He added that the profit of the parent might allow the company to pay an unchanged dividend of 2 DM for this year.

Mr. Piëch did not rule out the possibility that the company would omit its dividend, but he said the board was unlikely to take such a measure because of the need for continuity in its dividend policy. Analysts said the announcement was roughly in line with expectations; the company's stock rose 2.30 DM, to 425.80 DM.

Volkswagen has been hit by the weak European auto market. The company has undertaken restructuring moves, including the introduction of a four-day work-week and reduced pay at its German plants.

Two weeks ago, Mr. Piëch said the company's consolidated loss would match that of its Spanish unit SEAT, which has been estimated at 2 billion DM.

An agreement has not been reached with Spanish unions on the closure of a plant in Barcelona and the elimination of 9,000 jobs. An accord must be achieved by Dec. 17, one day before VW's supervisory board is scheduled to hold a meeting to approve a restructuring of SEAT.

Mr. Piëch also said Thursday that VW sales would drop 10 percent, to around 77 billion DM, while unit sales would be down 12 percent, to 3.1 million cars.

Hans König, an analyst at BHF-Bank, said cost-cutting measures introduced by José Ignacio López de Arriortua, head of production and purchasing, were likely to take effect in 1994, making plausible the prediction the company would break even. "The measures that have been taken are the right ones, but it will be a stony path for VW," he said.

(Bloomberg, AP, AFP, AFP)

Condom Maker Reports Loss For First Half

LONDON — LONDON International Group PLC, the maker of Durex condoms, said it had a pretax loss of £5.1 million (\$7.64 million) in the first half of the year and would cut 2,000 of its 10,500 jobs worldwide in a six-month restructuring.

The loss, the biggest by a major British company in the health and household sector in several years, left analysts "quite shocked," according to Robin Gilbert of Panmure Gordon. "We were prepared for pretty bad figures, but it's hard to see how they managed to make a loss," he said.

The company said it would sell its unprofitable photo-processing unit and other non-core businesses in the restructuring.

(Reuters, AFP)

Investor's Europe

Table with columns for Exchange, Index, Thursday Close, Friday Close, and % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvekselnden, Vienna Stock Index, Zurich SBS.

Very briefly:

- Skandinaviska Enskilda Banken said it was pulling out of negotiations to acquire Gota Bank from the Swedish government. State-owned Nordbanken is now the only institution with a bid outstanding for Gota.
• Denmark is set for growth in gross national product next year of 3 percent to 3.3 percent, up from 0.2 percent this year. Economy Minister Marianne Jelved said. Separately, the Danish central bank cut its repurchase rate a quarter of a point, to 7 percent.
• Credito Italiano's privatization sale was closed Tuesday, three days ahead of schedule, because it was six times oversubscribed.
• Pilkington Glass Ltd. said pretax profit for the six months ended Sept. 30 doubled to £30.5 million (\$45 million) from £15.1 million a year earlier as a result of cost-cutting.
• West German consumer prices rose 3.6 percent from a year earlier in November, compared with a year-on-year rise of 2.9 percent in October.
• Pechiney SA said its canning subsidiary Pechiney International faced a net loss of as much as \$75 million on forward metal purchase contracts.
• VIAG AG and Bayerwerk AG said they had formed a venture to develop and market telecommunications networks to transmit computer and audiovisual information.

Lloyd's Names To Reject Offer

Agence France-Press
LONDON — A settlement package of \$900 million (\$1.35 billion) offered by the Lloyd's insurance market to aggrieved members will be overwhelmingly rejected, Christopher Stockwell, spokesman for the members or names, said on Thursday.
Of 26 groups representing the names concerned, 24 will recommend rejection of the offer, he said. Lloyd's wants the names, in return, to drop claims totaling \$3.2 billion against the insurance market.

EUROPE: Focus Shifts From Trade to Trade-Offs

Continued from Page 1
to demonstrate Friday against those measures, which include limiting wage increases to less than the inflation rate, cutting social welfare programs and raising taxes.

The leaders' other preoccupation will be their big neighbor to the east. They dined with President Boris Yeltsin on Thursday evening in a gesture of personal support for the Russian president ahead of parliamentary elections and a referendum Sunday on a draft constitution proposed by him.

Mr. Yeltsin also signed a draft partnership agreement promising greater Russian access to the EC

market, even though the formal pact remains held up by a recent decree of Mr. Yeltsin's imposing new barriers to Western banks and by French attempts to protect its nuclear-fuel industry from Russian competition.

The commission's president, Jacques Delors, predicted that those disputes would be resolved in coming days, and Russian officials said they had made commitments to take down the banking barriers. Mr. Yeltsin said their agreement showed that "one more Berlin Wall is crumbling" and said he was confident that Russians would recognize the value of his diplomacy when they vote Sunday.

Whether EC leaders will keep to their agenda or digress into trade payoffs will depend largely on France. Although Prime Minister Edouard Balladur welcomed the renegotiated farm pact that the commission extracted from Washington this week, he insisted that France needed pledges from its partners before it would ratify any global trade pact.
The most important is a demand to strengthen EC trade weapons by giving the commission increased powers to impose anti-dumping penalties. Germany has blocked that proposal for the past year, with help from the Netherlands and Britain.

GATT: Out of Obscurity

Continued from Page 13
peated message: Failure could lead to anything from a prolonged world economic slump to a gradual unraveling of the Atlantic alliance.

Europe's 9 million farmers, whose ability to unload tons of subsidized food onto the world market would be limited by an accord, naturally have a different view. Their representatives say that a GATT agreement, as now envisioned, would be disastrous.

The farmers' idea of catastrophe came was described by Andrei Herlitiska, who works with Europe's main agricultural organization.

"One-third of full-time agricultural jobs would be lost," Mr. Herlitiska said. "Farm income would fall by about 50 percent. More than 11 million hectares [27.1 million acres] of agricultural land would be idled. It would be an economic disaster for Europe."

All this, the farmers argue, would stem from what is known as the Blair House agreement, concluded late last year between representatives of the European Community and the United States at Blair House in Washington. They agreed to reduce exports of subsidized grain and other foods from the European Community by 21 percent over the next six years. This provision is supposed to be integrated into a final GATT accord.

How could all these forecast disasters flow from a trade agreement, Mr. Herlitiska was asked. Well, he said, take European cheese.

Worldwide sales of cheese from European countries have been exceedingly good in recent years. But the Blair House agreement stipulates that the reference point for the 21 percent cutback would be average sales in 1988-90.

Therefore, Mr. Herlitiska said, in the first year an overall GATT accord was in effect, European cheese sales would have to be reduced 22 percent — 18.5 percent as a result of going back to the 1988-90 reference point from current sales levels, and 3.5 percent more as the first stage toward the 21 percent goal.

Like much else in the growing lexicon of GATT data and interpretation, the validity of such an argument is not easy to verify. A few years ago, warheads were warheads, identifiable and limited in number — but cheese is all over the place.

Might Brie and Camembert really disappear from the supermarkets of Singapore or Manila if the Blair House provision were not changed?

FIDELITY PACIFIC FUND SA
Sociedad Anonima
Incorporated under the laws of Panama
Notice is hereby given that the Extraordinary Meeting of the shareholders of Fidelity Pacific Fund S.A. ("the Corporation") will be held at Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg on January 7, 1994 at 10.30 a.m. for the following purpose:
AGENDA
1. To approve and agree a Scheme of Amalgamation of the Corporation and Fidelity Funds (sub-fund Pacific Fund), a société anonyme qualifying as a "société d'investissement à capital variable" constituted under the laws of the Grand-Duchy of Luxembourg ("the Scheme"), and
Further to resolve: that the Board of Directors be and hereby is authorised and empowered, without further action by the shareholders, to convert all the property and assets of this Corporation into Shares in the sub-fund of Fidelity Funds and to effect this to take any and all actions, and do any and all acts which may, in its opinion be necessary or proper.
2. To resolve to dissolve the Corporation in accordance with the Scheme and that the Board of Directors of the Corporation takes all necessary steps to consummate its dissolution, and
Further to resolve: that the Board of Directors be and hereby is authorised and empowered, without further action by the shareholders, to take any and all actions, and do any and all acts which may, in its opinion be necessary or proper to wind up the affairs of the company.
Further to resolve: that the property and assets of this Corporation being Shares in the sub-fund Pacific Fund of Fidelity Funds be distributed in specie, proportionately among the shareholders.
Further to resolve: that the President, the Secretary and the Treasurer of the corporation be and they are hereby authorised and empowered and directed to cause notice of the adoption of the above resolutions to be given and to file and record any documents, as may be required by law.
On the approval of the resolutions in Agenda Item 1 the meeting will be adjourned to acquire the shares in the sub-fund Pacific Fund of Fidelity Funds in accordance with the Scheme. The meeting will then be reconvened to resolve the dissolution of the corporation.
Approval of the above items of the agenda will require the affirmative vote of a simple majority of the voting shares of the Corporation in issue.
Each share is entitled to one vote.
Holders of registered shares may vote by proxy by mailing a Form of Proxy obtained from Fidelity Investments Luxembourg S.A., the Fund's registrar and transfer agent, to the following address:
Fidelity Pacific Fund S.A.
c/o Fidelity Investments Luxembourg S.A.
Kansallis House
Place de l'Etoile
BP 2174
L-1021 LUXEMBOURG
Holders of bearer shares may vote by proxy by obtaining from the above institution a form of bearer shareholders proxy, certificate of deposit and receipt for bearer share certificates, against deposit of their bearer share certificates, and mailing the proxy and certificate of deposit to the Corporation at the address set forth in the preceding paragraph. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their share certificates, or a certificate of deposit therefore, with the Corporation at the address set forth in the preceding paragraph, against receipt therefore, which receipt will entitle said bearer shareholders to exercise such rights.
All proxies (and certificates of deposits issued to bearer shareholders) must be received by the Corporation at the registered office of the Registrar not later than five o'clock in the afternoon (Luxembourg time) on Tuesday, January 4, 1994 in order to be used at the meeting.
Dated: November 26, 1993
By Order of the Board.
Fidelity Investments

NASDAQ Thursday's Prices
Table listing various NASDAQ securities with columns for High, Low, Last, and Change.

Table with columns for High, Low, Last, and Change. Contains multiple columns of financial data.

Table with columns for High, Low, Last, and Change. Contains multiple columns of financial data.

Table with columns for High, Low, Last, and Change. Contains multiple columns of financial data.

Table with columns for High, Low, Last, and Change. Contains multiple columns of financial data.

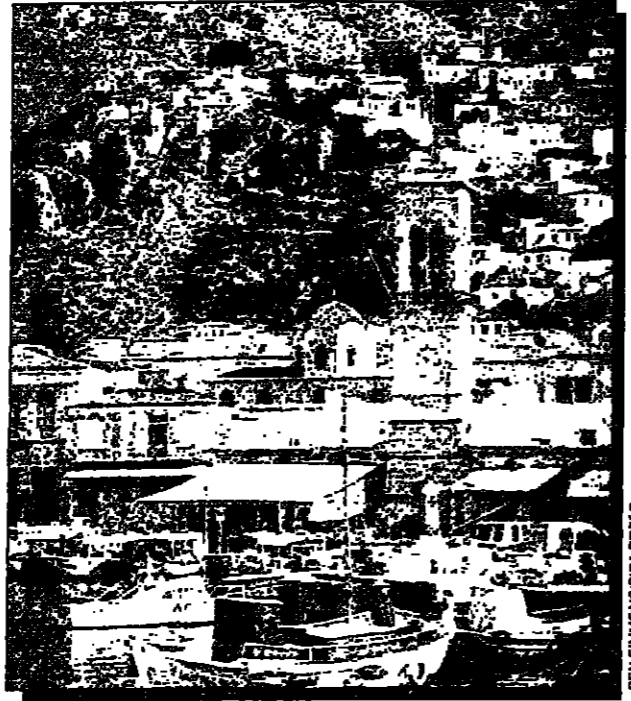
Table with columns for High, Low, Last, and Change. Contains multiple columns of financial data.

Vertical text on the right edge of the page, including page number 15 and some illegible text.

greece



Andreas Papandreou receives congratulations (above) after his 1993 election victory, an event that will echo through Greek life from the capital to such sun-soaked tourist resorts as the island of Hydra (right).



REUTERS/CONTRAST/GAMMA

GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

The newly elected government of the Panhellenic Socialist Movement, led by Andreas Papandreou, has promised improved economic conditions and an end to austerity.

The Socialists differ from the defeated New Democracy party on the question of the privatization of state-owned enterprises and promise a return of the Athens transportation and bus system to government control. On foreign affairs, the new government has indicated that it will take a tougher stand toward the former Yugoslav Republic of Macedonia.

At the same time, Mr. Papandreou has stressed the pro-European position of his party. Speaking on his government's program during his first appearance in Parliament, he also made clear his pro-U.S. position. This contrasted with his previous period of office - from 1981 to 1989 - when Mr. Papandreou advocated the removal of American bases from Greece and called for a Greek withdrawal from NATO and from the European Community. There is no doubt about the seriousness of the economic problems Mr. Papandreou

must deal with. The European Commissioner Henning Kristoffersen, speaking about the high deficits of the Greek public sector, says that the Greek economic situation has become "worse than expected" during the last months. According to the estimates of the EC Commission, Greece must prepare a new program of economic reform.

Speaking after the fall of the Greek Socialist government in 1989 and the formation of the conservative coalition government, Jacques Delors, already president of the EC Commission, made similar comments and advised urgent austerity measures. The conservatives acknowledged the seriousness of the situation but delayed action until 1992, when conditions had deteriorated further.

According to present estimates, the deficit of the 1994 budget will amount to 4.6 trillion drachmas (\$18.7 billion), or 24 percent of the gross national product. This, together with the fact that Greece pays 7 trillion drachmas for the ser-

vice of its internal and external debts, will leave little for productive investment.

National Economy Minister George Yennimatas claims, however, that his 1994 budget will allow for the formation of a substantial reserve that will be used together with EC funds under the Delors package for infrastructure projects and the support of Greek industries.

Mr. Papandreou, outlining his economic policy, made it clear that all the major projects launched by the former government, including a new Athens Airport at Spata, the Rio-Antirio suspension bridge connecting southwest Peloponnisos with central Greece, and the diversion of the Achelous river, would continue. "After all, these projects were really planned by our government before 1989," says Mr. Yennimatas.

Greece's economic leaders have been encouraged by the promise of New Democracy's new leader, Mitsiades Evert, that the major opposition party will support the gov-

ernment's efforts to improve the economy and to promote the country's international position. Mr. Evert was elected party leader after former Prime Minister Constantine Mitsotakis resigned following his electoral defeat.

Iason Stratos, president of the Federation of Greek Industries, called on the new government to limit its expenses in order to cut deficits, keep salary and pension increases under the present inflation rate of 11 percent and ease its credit policy toward industrial enterprises, so that they could become more competitive. In a memorandum to the new government, the federation pointed out that industrial production in Greece would decline for the third consecutive year in 1993, "although a significant proportion of companies would show satisfactory results."

The industrialists asked for a political consensus on such issues as the modernization of public administration, a freeze on hiring new civil servants, the broadening of the tax base and the reduction of tax evasion. The government has

Continued on page 1c

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. John Rigos and Pat Hamilton are both free-lance writers based in Athens.

FINANCE MINISTER EXPLAINS ECONOMIC PRIORITIES

George Yennimatas, minister of the national economy and finance, answers questions on government plans to stabilize the economy and attract foreign investors. How does the government plan to eliminate the deficits of the public sector while maintaining a public investment program?

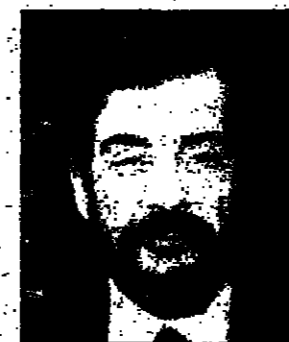
The main characteristics of the 1994 budget to be submitted for approval by Parliament are the holding down of public expenses, the effort to fill the gaps in the 1993 receipts and the expansion of the tax base through the establishment of new ways of objective definition of taxable incomes. In particular, the operating expenses of the public sector will increase

by a rate equaling half of the rate of inflation, while the income policy of the public sector will not surpass inflation, regardless of the real losses of income during recent years. As a result, we will be able to create a surplus and to limit borrowing to levels lower than those of 1993. Finally, thanks to the inflow of European Commu-

nity funds, the investment program will increase substantially. Expenditure will be higher than 1993 and in comparison to the gross national product. Will the government continue the major public-works program, which includes the Spata Airport, the Athens Metro, the Rio-Antirio Bridge and the Eleusis-Spata highway?

All these major projects will be completed. In most cases, the projects were originally launched by this government before the 1989 elections. In any case, they will continue because they constitute part of the basic infrastructure required for the proper operation of this country's pro-

Continued on page 1c



George Yennimatas, minister of the national economy and finance: "All major projects will be completed."

GREECE: A COUNTRY WITH POTENTIAL

GREECE is the perfect combination of past and present - and a country with potential for a bright future. A fact which shows in the many different products Greece has to offer.

A range which includes from traditional products to high-tech industrial products. All Greek products reflect high quality and meet international standards.

And many provide exceptional opportunities for great success in foreign markets.

Among Greek products presently being exported worldwide are: Olive oil, olives, cheese, tomato pulp, pasta, pickled vegetables, canned fruits, wine, tobacco, dairy products, flowers, footwear, ready to wear, textiles, building materials, minerals, marble, cement, industrial equipment, oil

refinery products, ship building and repairs, pleasure crafts, medical and dental machinery, software, etc.

All you need is HEPO.

If you're interested in importing products from Greece, all you need is HEPO. HEPO, the Hellenic Export Promotion Organization responsible for the development and promotion of Greek exports.

HEPO is ready and willing to provide any assistance you need to successfully import Greek products.

Just contact our group of specialists and they'll make your contacts in Greece, quickly and easily.

Whatever the contact, whatever the need... there is always HEPO.



HEPO: HELLENIC EXPORT PROMOTION ORGANIZATION

MARINOI ANTIPA STR. 86-88
143-46 Ilioupoli, Athens, Greece.

Tel.: (01) 99 61 900-14/(01)99 61 921-23
Telex: 220201 HOPEGR - Fax: 9915655-9915392

ETBA
HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.
87, SYNGROU AVE., 117 45 ATHENS - GREECE
TEL.: (01) 92 42 800 • CABLES: ETBANK
TELEX: 011 125201 ETBA GR • FAX: 01 92 42 800
TELEFAX: 01 92 41 213 • 92 41 516 • 92 41 517

LAW 1892/90

dynamic and a promising future.

Please send me further information

Name _____
Firm _____
Company _____
Address _____

This advertisement was financed by 70% through E.C. funds.

50 من الأصل

ADVERTISING SECTION

ADVERTISING SECTION

BUILDING, BRIDGING, TUNNELING THE WAY FORWARD

The Socialist government is setting aside huge sums to develop Greece's infrastructure. The list of projects is impressive. They include a new Athens international airport, which will eventually be able to handle 50 million passengers a year; the con-

mated cost of \$60 million. The tunnel will be 1.3 kilometers long and will be part of a 4-kilometer road to be constructed at an estimated cost \$120 million. It will take six years to construct the Athens subway, the biggest civil-engineering project in the capital. It will be completed in stages.

Big part played by EC funding

struction of a subway system to ease traffic congestion in the Athens area, where almost half of Greece's 10 million population lives; a suspension bridge to link the Western Peloponnisos with the mainland; a dam to secure an adequate water supply for Athens; and the modernization of the telecommunications system.

The contract has been ratified by Parliament, and the first two lines have been allocated to a multi-member joint venture of foreign and Greek companies. These lines, with a length of 20 kilometers, will cost some \$1.4 billion. Work is also under way in Salonika on a subway system whose first stage will cost \$240 million.

The suspension bridge to link Rio to Antirio will have a span of 1.8 kilometers and will help in the development of western Greece. It will put an end to the problem caused by frequent interruption of communications between the Peloponnisos and central Greece due to rough seas. The cost is estimated at \$400 million.

The Evinos dam and tunnel is to be built at a cost of \$200 million. A 100-meter high dam and a 30-kilometer tunnel will make an important contribution to securing water adequacy for the sprawling greater Athens area.

A number of these projects are being funded by the EC, either through grants or loans, with the balance drawn from the state investments budget and the private sector.

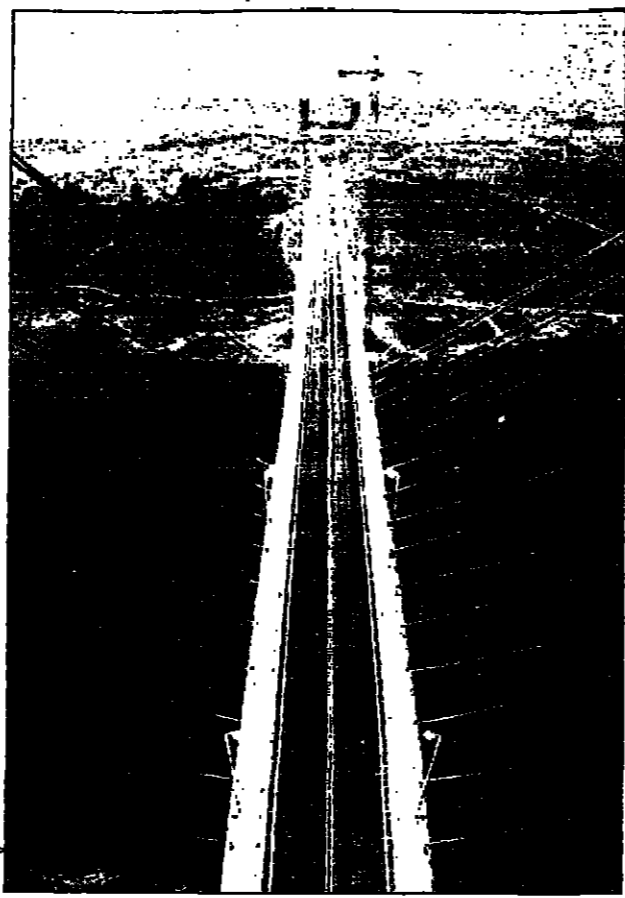
The Federation of Greek Industries is urging the government to press ahead with construction projects stalled by last October's general elections, using European Community funds and foreign capital. According to the federation's president, Jason Stratos, Greece's lack of infrastructure is one reason productivity is limited. He has repeatedly stated that most of the EC's Second Delors Package of aid should go to the major projects. Relying heavily on Greek investment funds would slow down the projects, he says.

In September this year, Greece announced a \$3.2 billion package of projects for immediate tender aimed at improving links with Europe and the Middle East. To be funded under the EC's cohesion fund, the projects include expansion of the Greek state railways, the port of Igoumenitsa in northwestern Greece, improvement of the existing airports in Athens and on the island of Corfu, sewage and irrigation grids, about 200 kilometers of new roads and biological cleansing schemes.

The international airport at Spata, 20 kilometers from Athens, will contribute decisively to the improvement of air traffic in the area of the capital by the year 2000. Construction has already started on a self-financing basis, and the current estimated cost is approximately \$1.6 billion.

The transport projects aim to link Greece to the European network and isolation for parts of the country, reduce transport costs

A complementary project for the Spata airport is the construction of the Hydruntus tunnel at a current esti-



The spectacular Chalchida suspension bridge connects Evia Island with the mainland.

for Greek products and make Greece Europe's gateway to the Middle East. EC credits of \$420 million must be absorbed by end March 1994.

Other EC-funded works have been put on hold pending cost/benefit analyses or environmental-impact studies. These include the Evinos project to help supply Athens with water, and road and rail projects to link Athens, Salonika and Bulgaria. An east-west road would link the remote eastern region of Thrace and the western port of Igoumenitsa, crucial to Greek exports following the loss of routes through the former Yugoslavia. The port of Piraeus would gain direct access to highways bypassing Athens, and ring roads would be built for two other ports, Patras in the west and Kavalla in the northeast.

Addressing a conference sponsored by the American-Hellenic Chamber of Commerce early in December, Industry Minister Costas Simitis said the Socialist government had realized that state control of the economy had gone "beyond reason." He said that companies in the strategic areas of de-

lense, telecommunications and transport should remain under state control, but that the private sector could be called upon to help develop companies in these strategic areas.

The 1994 state budget includes plans to put 15 percent to 20 percent of the state-owned Greek Telecommunications Organization and the Public Power Corporation on the Athens Stock Exchange. The funds will be used to modernize and expand these public entities.

The Telecommunications Organization is implementing an ambitious five-year program involving a \$4 million investment in network expansion, network automation and satellite links. The mobile telephone system has been left to private companies. Intracom, a leading telecommunications company, has set up a microelectronic center, KEM, which will promote the use of microelectronics and the construction of electronic systems. KEM is the result of Intracom's participation in the European programs Espirit, Jessi, Stride and Eureka, through which it cooperates with top European companies in the same field. J.R.

NEW RULES REMOVE CURBS ON BANKS

A banking act passed in August 1992 facilitated the opening of branches by foreign banks in Greece and at the same time improved the standards of banking services.

The act had two main objectives: to liberalize the current banking system in Greece by bringing it into line with the European Community's regulations and to adjust the rules concerning foreign bank operations.

Share capital has increased

access to the Greek market. Every European Community bank properly licensed to open branches in its own country may now open branches in Greece without any further licensing by Greek authorities.

Previously, they required Bank of Greece approval, which was not always forthcoming, as well as a capital deposit of 4 billion drachmas (\$16 million).

Several foreign banks operating in Greece, including Societe Generale, Banque Nationale de Paris, Midland Bank and Barclays, have already taken advantage of the measure and opened branches in the Athens area and other major cities and islands in Greece.

Citibank of the United States (a non-EC bank) remains the largest foreign bank operating in Greece. Citibank's view is that the previous legislation did not serve as a barrier to banks wishing to establish a serious presence in Greece.

The minimum capital previously required of \$16 million is the bare minimum a bank would need to invest to establish a viable operation," says a senior Citibank official. "Actually, the EC banks that have a significant presence in Greece were established well before the change in the legislation."

At the same time, several Greek banks plan to use

their new rights to open branches in other EC countries. The Commercial Bank of Greece, the country's second largest, will open several branches in Britain.

New Greek banks owned by shipping interests are making similar moves. They include the Dorian Bank, established by shipowner John Mavrakakis; the Nios Bank of the Vardinoyannis shipping family; the Euromerchanta Bank of tycoon John Latsis; and Egnatia Bank, set up by a group of Greek businessmen from Salonika.

The new rules are an incentive for foreign banks outside the EC to seek controlling interests in jointly operated banks in Greece in order to gain access to other EC countries.

The Libyan Arab Foreign Bank, for instance, has a majority stake in the Arab Hellenic Bank. Korean Ex-

and Interamerican, one of the largest insurance companies in Greece, to set up Interamerican Mutual Funds.

The Aspis Pronoia Insurance Co. has set up the Aspis Bank, which also has the Aspis Mutual Fund.

Citibank has its own mutual fund, and Midland Bank, which belongs to the Hong Kong and Shanghai Banking Corp., obtained a 22 percent stake in the new European Popular Bank, whose major shareholder, with 55 percent, is the Cyprus Popular Bank.

Euromerchanta Bank is cooperating with American Life Insurance Co. (Alico) to set up a mutual fund, Nationale Nederlanden, which has an insurance operation and a mutual fund, is establishing its own branch in Greece.

According to Mr. Piperoglou, the aim is to have customers pay insurance

who was instrumental in passing banking legislation as the Greek minister of national economy, the introduction of rules liberalizing banking operations have a beneficial effect on the Greek banking system. "Most commercial banks have either recently made substantial increases in their share capital or plan to do so in the near future," he says.

The funds are being plowed into computerization and staff training to upgrade services. A new gen-

'Repo mania' takes hold

eration of younger managers, many in their late 30s and early 40s, has been brought home from banks abroad or poached from Greek branches of foreign banks to oversee the changes." Mr. Palaiokrassas says.

Among the new services offered to bank customers is the sale of "repos," or repurchase agreements. These were introduced in 1987 by the Socialist government that is now in power again.

It then decided to finance its requirements directly from the public, issuing for the first time tax-free government treasury bills of three, six and 12 months duration.

For the first couple of years, the repo market was not widely known in Greece, and only institutional investors and corporations took advantage of it. Later, as competition among banks became more intense, "repo mania" developed, and the investment of even small amounts was attracted.

The repo market was threatened recently by rumors that the government was to tax income from repos. Officials, including the present minister of national economy, George Yennimatas, have denied the truth of the rumors. If it happens, depositors may turn to new fields of investment. J.R.



Strict monetary control is a government priority for economic health.

posives recently bought a 60 percent majority share in the Traders Credit Bank, which was renamed the Bank of Athens.

In addition to these changes, Greek banks are now taking a new structural form. According to Yannis Piperoglou, chairman of Siedima S.A., which acts as advisor to several banks, the new pattern consists of a combination of three elements: a bank, an insurance company and a mutual fund. For instance, Interbank has joined the Union des Assurances de Paris

premiums and buy mutual funds. Both these sources of funds are deposited in the related bank to provide a stronger base for its operations.

Thanks to the European Community Act, foreign banks operating in Greece are entitled to underwrite initial public offerings and rights issues if they are entitled to do so in their own countries. Several foreign banks, including Barclays, have used this privilege. According to Yannis Palaiokrassas, a Greek commissioner in Brussels

FREE INFORMATION FROM INTERNATIONAL INVESTOR XXIX

The latest information from the companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon (at the bottom of the page) and return it to us before January 15. The report(s) will be mailed to you by the companies involved.

ETBA
IN THE YEAR 2000

- At the end of 1991, the Bank moved to its new building on Syngrou Ave., Athens.
- The move was symbolic, because it took place almost at the dawn of the 21st century.
- ETBA is looking towards the year 2000 with optimism, since:
 - It has restructured its organizational framework and will soon operate within the context of UNIVERSAL BANKING, while at the same time globalizing its operations.
 - It has systematized the necessary procedures to REHABILITATE its PORTFOLIO, presently comprising 100 companies, in which ETBA has a 100% majority or minority holding, with the aim of selling many of these to the private sector.
 - It has set as its main aim the continuation of its traditional role (which has become well established in the 30 years since its founding in 1960) as the LINCHPIN for the DEVELOPMENT of Greece's INDUSTRY, TOURISM and SHIPPING, but also for ATTRACTING NEW INVESTMENTS.

INTRACOM S.A.
HELLENIC TELECOMMUNICATIONS AND ELECTRONIC INDUSTRY

Intracom, founded in 1977, is one of the ten largest Greek companies in terms of both turnover and profits. The company has captured the high end of the national Greek Telecommunications market through the production and sale of advanced integrated hardware and software telecommunications and data processing systems.

Intracom is enhancing its international presence. It is already operating the National Lottery - LOTTO MILLION - in Russia and has undertaken the modernization of the National Lotteries in Romania, Bulgaria and Moldova.

Intracom plays an active role on the modernization and expansion of the telecommunications network in Russia and other C.I.S. countries all the while maintaining and expanding its leading role in the modernization of the Greek Market.

ANNUAL REPORT

INTRACOM

ELECTROHYDRAULIC GROUP OF COMPANIES HELLAS
TECHNICAL & COMMERCIAL COMPANY

Founded in 1978 it is the largest in Greece in its sector. Operating in minimum time and cost in the Mediterranean and worldwide 24hrs/day all year round with its "flying squad" of top technicians and engineers it provides the perfect match between marine environment and hydraulic power/energy with the construction and installation of all types of hydraulic systems executed by top technical experts. It serves the shipping world with its long experience in the field of both low/high pressure hydraulic systems. All the studies, repairs and constructions are completed with reliability and efficiency at the highest standard of service.

The group comprises the following companies:

- Hydrate Ltd.
- Racorelastid
- Nett
- Feldra
- Hydraulic manufacturer
- Commercial Spareparts
- Shipping Company
- Nautical Services-Foreign houses representatives

Mail this coupon or send telex to:
Ann Doyle/International Investor XXIX
International Herald Tribune, 181, Avenue Charles-de-Gaulle
92521, Neuilly Cedex, France. Fax: 46 37 52 12

Please send me the reports from the companies circled at no cost or obligation.

Check here: if you would like information sent to you so that your company is included in our International Investor feature to appear in May 1994, please attach your business card.

Herald INTERNATIONAL Tribune

1 2 3

Name _____
Job Title _____
Company _____
Address _____
City _____ Code _____
Country _____

IHT1012

Integrated Banking and Financial Services in Greece.

IONIAN BANK, established in 1839 in Corfu, in the oldest bank in Greece.

Today, IONIAN BANK, with a widely spread network of 182 branches throughout Greece, offers effective, high quality services in retail, commercial, investment banking and treasury products.

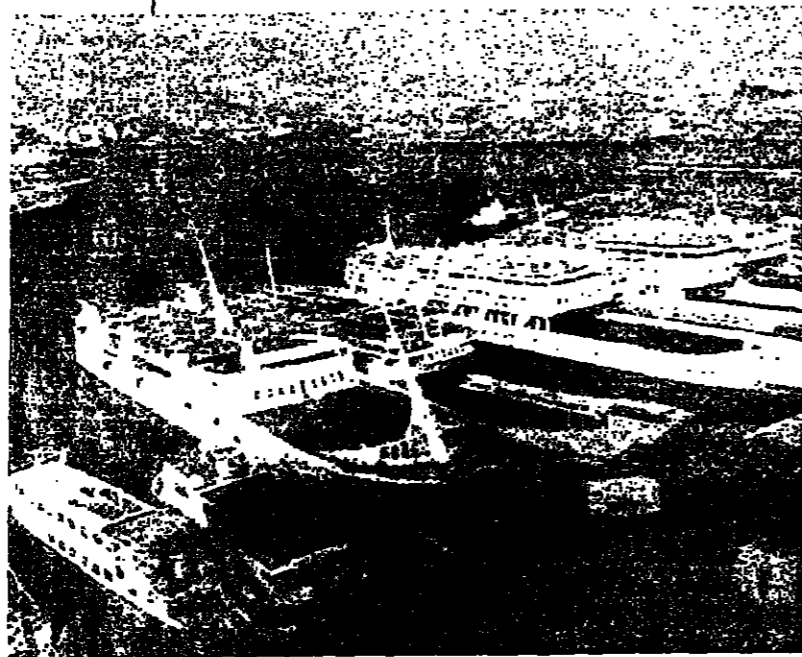
IONIAN BANK

IONIAN & POPULAR BANK OF GREECE S.A.
45, Panepistimiou Str., GR-102 43 Athens
International Department
Tel: (01) 323.0556, 323.0702 - Fax: (01) 323.1422
Treasury Department
Tel: (01) 325.4681, 324.8350 - Fax: 322.3814
Reuters Monitor IPBA - D, Reuter's Dealing IPBA

Subsidiaries:
IONIAN INVESTMENT COMPANY S.A.
IONIAN FINANCE S.A.
IONIAN HOTEL ENTERPRISES S.A.
IONIAN LEASING S.A.
IONIAN MUTUAL FUNDS S.A.
IONIAN EDUCATION S.A.
IONIAN ASSURANCE BROKERS

ADVERTISING SECTION

greece



The port of Piraeus, ready for faster connections to Italy and the islands.

QUALITY OF EVERYDAY LIFE IN GREECE ATTRACTS TOURISTS

The recent change in government has caused many members of the tourist industry to feel optimistic. Funds earmarked for tourism will increase considerably, and the Ministry of

National Tourist Organization that they are not working in something like the Ministry of Health," he says, "but in a place connected to the happiest of human moments."

Returns invested in infrastructure

Tourism, closed down by the ousted conservative government, has been re-established.

In a recent article in the Greek press, the new Tourism Minister, Dionisios Livanos, pointed to three immediate tasks facing him: the allocation of his \$32 million advertising budget, the establishment of a series of casinos throughout the country and the organization of his office and staff.

"We have to remind all the staff within the Greek

Increased awareness of the importance of service in tourism, unquestionably Greece's number-one industry, was expressed by a past president of the Greek National Tourist Organization, Apostolos Doxiadis, whose family has for four generations run the luxury-class Grande Bretagne Hotel. He said earlier this year that in addition to professional services, it was the behavior of all Greeks, no matter what their jobs were, that would help boost the country's tourist business.

"It is quality in everyday life that will convince tourists to come back," he said.

SETE, the country's first tourism "lobby," formed

two years ago and now made up of 230 of the biggest, most influential companies in Greece, has officially named 1994 the Year of Total Quality in Tourism, with seminars and other activities hosted by well-known Greek personalities and stressing the need for all tourism facilities to be up to the highest standards.

The SETE treasurer, Constantine Coulouvatos of the Chat Tour/Amalia Hotel chain, emphasizes that the lobby is concentrating on the long term. It is financing studies, such as the recent one on the exact contribution tourism made to the national economy last year (almost twice the official figure), and pressing for increased educational opportunities, such as offering scholarships to the Greek branch of the famed Swiss hotel school, Centre International de Glion (CIG), recently opened on



The quality of ancient life is also an attraction: This amphora is on display at the Archaeological Museum in Salonika.

the island of Corfu. SETE has also set up a two-month tourism course within an existing MBA program in Athens, with plans to extend it into a full Master's degree in tourism. "We want to educate a new generation of young Greeks who will take future positions in the tourist industry," says Mr. Coulouvatos. Even in the short term, there is reason to be optimistic. Uncertainty and violence in neighboring countries have caused many tourists to choose trouble-free Greece and the Greek islands.

This year's U.S. State Department analysis of foreign travel costs still points to Greece as a better value than its neighbors, with estimated per diem expenses of approximately \$159, compared with \$196 in Spain, \$204 in Turkey,

\$218 in Italy and \$242 in Portugal. The industry is just beginning to see returns on the money it invested in infrastructure over the last few years, with six new marinas due to open in the coming months.

According to Michael Ghiolman, honorary president of the Greek Yacht Broker's Association, Greek boat builders are launching several new models this year, competitive with other European countries, in addition to at least 10 new luxury yachts (in the \$6000 to \$8000 a day range).

With European Community help, Greek entry ports from Italy are being enlarged, and faster ferries are being built that will cut 12 hours off the trip between Ancona, Italy and Patras, Greece.

Pat Hamilton

GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

Continued from page 1a

agreed to these points, and Mr. Yennimatas recently called on Greek youth to choose careers other than the public sector.

In a short study containing proposals for the stabilization of the Greek economy, Dimitrios Chalikias, governor of the Bank of Greece during the previous eight years of Socialist power, says that Greece has been going through alternate periods of austerity and reheating. The austerity was meant to cut deficits, and the reheating to boost production. This caused high rates of inflation.

What is really needed, Mr. Chalikias believes, is to reform and modernize the state machinery, and to create an infrastructure that will allow the economy "to apply the rules of advanced markets and production processes."

Greece is also plagued by the problem of the former Yugoslav Republic of Macedonia, which, according to the Greeks, is using the name of Macedonia for irredentist purposes.

The previous government supported negotiations at the United Nations aimed at persuading the new republic to adopt a name that better defines its national and geographical character, such as "Slavomacedonia," "Northern Macedonia," or "Nova Macedonia."

The new Greek government has said it will not negotiate with Skopje until it drops "Macedonia" as its official name. The former Yugoslav republic has become a UN member under its provisional name, and Greece's European partners are showing signs of getting ready to establish diplomatic relations with it, posing problems for Greece's foreign minister, Karolos Papoulias.

Despite this confrontation about names, Greeks are willing to promote their economic relations with Skopje - until recently, Greece was the main source of foreign exchange for the new republic.

Even now, there are reports in the press about new Greek enterprises expanding their operations there. Hellenic Exports, a Greek-owned export company, has taken a 15.5 percent equity stake in a new private bank in the former Yugoslav republic.

Greek businesses have found in other parts of the Balkans a profitable launching pad for their operations. Oil, shipping, construction, trading, computer and hotel companies have entered into partnerships in Bulgaria and Romania, and some have ventured even farther north into Ukraine.

According to the minister of press and information, George Venizelos, such a development

is natural. "Greece, because of its standard of development and its constitutional traditions, as well as because of its participation in the European Community, NATO and the West European Alliance, is the basic factor of security and stability in the wider area of the Balkans," says Mr. Venizelos.

"Greek initiatives will certainly facilitate the promotion of the common foreign policy of the 12. The recent visits of the Greek foreign minister to the Balkan capitals demonstrated the protagonistic role that Greece can play in the Balkans. This Balkan role strengthens Greece's European image," Mr. Venizelos continues.

There is some cause for anxiety, Greek leaders know that the civil war in Bosnia and other parts of former Yugoslavia could expand to the south and reach Greece's borders. For this reason, they have used all their persuasive powers to bring Serbian leaders to the negotiation table, and they even convened in Athens a peace conference among the conflicting parties.

Mr. Papandreu's government will pursue an active policy toward the pacification of the Balkans, Mr. Venizelos says. He also implies that pacification will be the first step toward the entry of the Balkan states into the European Community.

John Rigos

MINISTER EXPLAINS ECONOMIC PRIORITIES

Continued from page 1a

duction system. Several of these projects will contribute substantially to cutting down the costs of our communication and transport services, where Greece is at a disadvantage because of its geographical position in relation to the markets of Western Europe.

How do you plan to carry out the program to privatize public-sector enterprises?

The companies that became part of the public sector because of their failure to cope with the pressures of competition will return to the private sector in accordance with the rules of the legislated procedures, by which many problematic companies have been privatized so far. In the case of some large state-owned enterprises, like the Telecommunications Organization, a percentage of their capital will be made available to private investors, but without the involvement of a "strategic investor," as was proposed by the previous government. This will be done through the stock exchange on terms that will make the investment appealing and will guarantee returns to the private investor.

Finally, in some other cases, as with gambling casinos, the government will proceed with their privatization. Naturally, in cases where there are doubts as to the positions held, the government will proceed with all decisions allowed by the legal framework in order to safeguard the country's interests and to achieve the best results.

What measures does the government intend to take in order to attract foreign investors?

First, the creation of a general macroeconomic climate that offers stable rules for running the economy.

Furthermore, we believe that our development policy measures will form conditions favorable for the attraction of foreign investors. Many have shown serious interest since 1985 with participation or purchase of Greek industries and an extensive presence in the area of credit and insurance activities: commerce and so on.

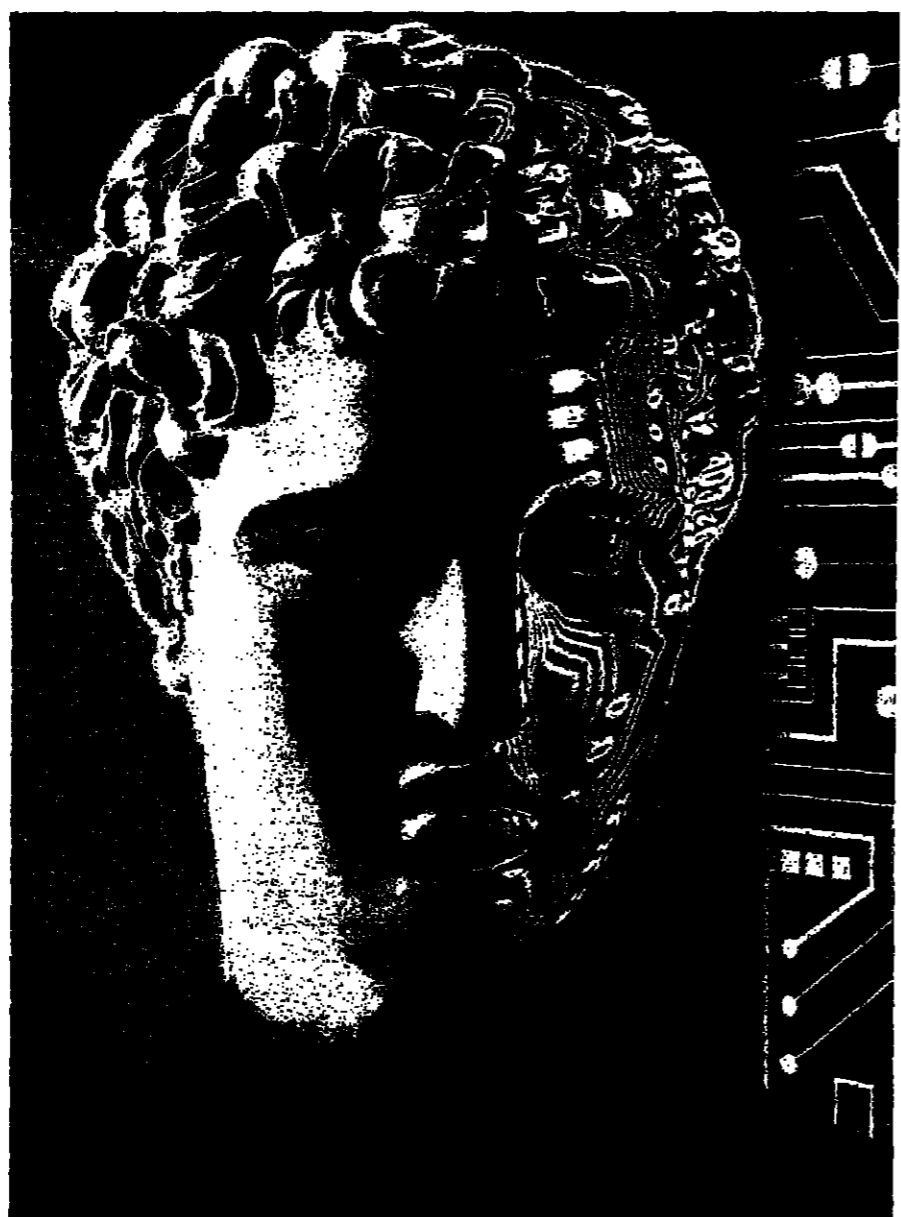
The infrastructure investments planned with the funds of the Second Delors Package will promote the profitability of investments. Since, however, foreign investments are influenced by a number of factors, having to do with taxes, among other things, we will examine with considerable attention the experiences of foreign enterprises already established in the country, so that we can improve the points where serious problems occur and where policy can act positively.

Regardless of its economic problems, Greece constitutes today the only stable political and economic factor in the Balkans. Do you think it will be able to aid in the reconstruction of the economies of other Balkan countries, to whose pacification Greece has already contributed substantially?

The area of the Balkans constitutes a very important area for Greece for economic, political, military and historical reasons. The emphasis in Greek policy is on helping with the pacification of the area and the restoration of normality to the Balkans. Our country's contribution is recognized widely by its neighbors, while its ability to contribute economically is expressed daily through the expansion and the successes of Greek enterprises in the neighboring Balkan countries.

Interview by John Rigos

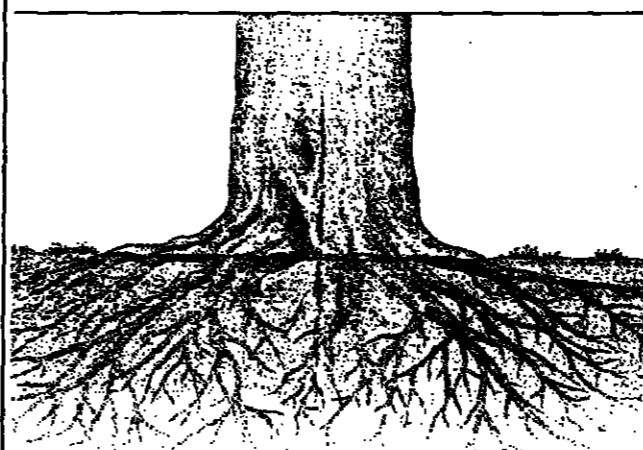
Stylized portrait of a woman's face, possibly a classical Greek sculpture, used in an advertisement for Intracom.



GREECE. EVERYTHING COMES FROM ITS HISTORY. NOW ITS FUTURE COMES TO YOU.

INTRACOM
THE GREEK FACE OF TECHNOLOGY

INTRACOM SA - HELLENIC TELECOMMUNICATIONS & ELECTRONICS INDUSTRY
P.O. BOX 69 1502 DEANIA ATTICA, GREECE TEL: (01) 664211-544715, FAX: (01) 664470, 664375 TELEX: (01) 214087-219649INTR



robustness

At a time when there is no room for inertia or complacency, «ΕΜΠΟΙΚΗ» - the Commercial Bank of Greece - retains its robustness.

Through its size as the second largest commercial banking institution in Greece.

Through its wide network of 342 branches all over the country.

Through its modern technological infrastructure.

Through the dynamism of its management and culture.

Through the depth of its experience in banking, insurance, services and industry in Greece.

Through its highly competitive special products and divisions.

For example:

The Investment Banking Division has become a leader in the Greek market for related services such as: underwriting of public issues, commercial bonds, advisory services, M&As, and a full range of custodian services.

The Department of Feasibility Studies offers two types of services: a. it undertakes feasibility studies for interested investors, and b. of utmost importance, it undertakes to obtain all the necessary permits and licenses (including: documentation, provision of information on legal benefits and incentives, legal support) so that investors will not have to deal with bureaucratic red tape.

Take advantage of the dynamism and robustness of the Commercial Bank of Greece.

ΕΜΠΟΙΚΗ

COMMERCIAL BANK
the fine art of Banking

Need to know about - Albania, Bulgaria, Greece, Hungary, Romania, Turkey or Yugoslavia?

Balkan News
THE GLOBAL POLITICAL & FINANCIAL NEWSPAPER
Available every Sunday at central newsstands in major business capitals worldwide.
For subscription information, Fax enquiries to (+301) 654 8202

سكنا من الأصل

ADVERTISEMENT

ADVERTISEMENT

JAPAN

GOVERNMENT WEIGHS STIMULUS PLAN

Weak consumer demand, a robust yen and cutbacks in corporate investment have taken the stuffing out of the Japanese economy. What is the government doing about it?

Foremost, Prime Minister Morihiro Hosokawa is hoping to forestall a second economic downturn by pushing yet another fiscal stimulus plan. This time,

the package is worth \$58 billion and focuses on 114 public-works projects. But with the government now focused on passing political reform bills and a supplementary budget, review of the economic stimulus plan has been shelved until later this month.

Furthermore, some analysts question the package's validity since earlier funding aimed at infrastructure development did little to jack up consumer confidence.

Much to its credit, the Hosokawa government appears to be backing a more controversial economic antidote: tax cuts. The planned 5 trillion yen to 6 trillion yen (\$46 billion to \$55 billion) reduction would likely boost consumer spending, while at the same time easing U.S. pressure over a widening trade gap.

Even though the tax cut would probably be offset by a gradual increase in sales tax, Japan's Finance Ministry is opposed to the idea. Over the years, the ministry has proudly pointed to its fiscal surpluses and appears dead set on quashing any revenue-cutting scheme.

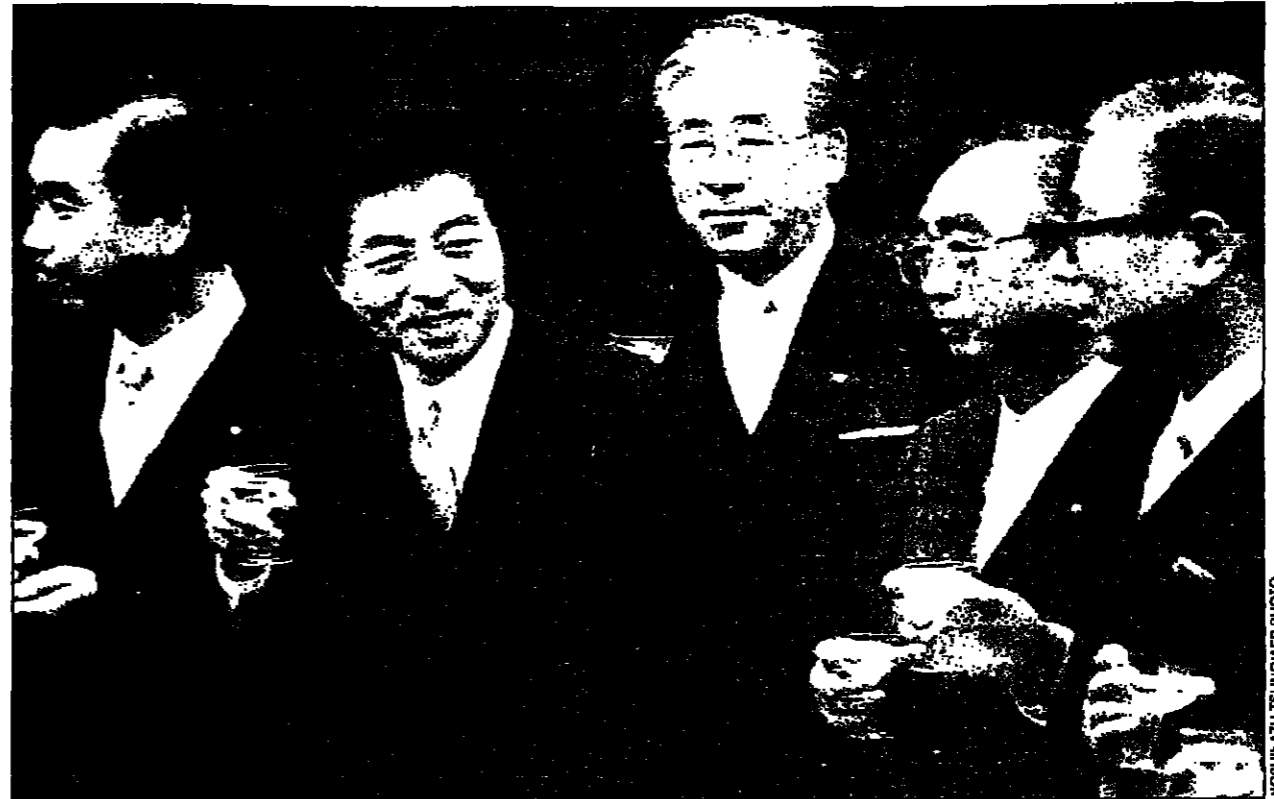
The recession is also adding impetus to Mr. Hosokawa's support for deregulation. Seen as a stimulus for creating new businesses and passing the benefits of a stronger yen to consumers, the first deregulation package was introduced by the prime minister in September. While these initial changes lacked any real teeth, they resulted in a small utility-rate cut for consumers and eliminated minor bureaucratic red tape in customs procedures. With literally thousands of regulations on the books worthy of appraisal, some government watchers believe deregulation could be the backbone of economic recovery.

Lastly, banks burdened with bad loans received a shot in the arm when the Bank of Japan cut interest rates to 1.75 percent, a record low. But the governor of the Bank of Japan, Yasushi Mieno, says he has done all that he can for banks and wants more fiscal support.

That could come in the form of deregulation of dismally low deposit rates or by allowing banks to boost involvement in corporate bond issuance.

Despite Japan's difficulties, there are some positive

economic indicators appearing on the horizon. For one, low inflation and discounting at retail outlets may encourage consumers to open their pocketbooks. On the down side, however, Japan's Economic Planning Agency has admitted that its 3.3 percent growth forecast in the year to March was overly optimistic. If growth in Japan's GDP continues to remain flat, the recession may last into 1995.



In August, newly elected Prime Minister Morihiro Hosokawa (second from left) toasted to a brighter future.

economic indicators appearing on the horizon. For one, low inflation and discounting at retail outlets may encourage consumers to open their pocketbooks. On the down side, however, Japan's Economic Planning Agency has admitted that its 3.3 percent growth forecast in the year to March was overly optimistic. If growth in Japan's GDP continues to remain flat, the recession may last into 1995.

South Korean manufacturers. Consequently, they are looking west for alliances with former U.S. rivals producing more lucrative logic chips. Sharp Corp. has linked with Intel to manufacture chips under the California-based company's name in hopes of cashing in on this expanding market.

With slow growth expected in Europe and North America, Japanese manufacturers are also looking for a white knight in Asia's booming markets. China in particular is now viewed not only as a source of cheap production, but also as a major market. Moreover, companies will continue to grow leaner and meaner in the remaining decade, even though most experts believe that some hollowing out of Japanese industry is inevitable.

COMPANIES COURT CONSUMERS THROUGH PARTNERSHIPS

With business confidence at an 18-year low, Japanese companies are facing the real threat of a second economic downturn compounded by growing foreign-exchange values and minimal consumer spending.

Despite these obstacles, most corporations are not just waiting for an upturn in the business cycle; they are not only altering investment tactics, but also the very way they do business.

Japan's car industry, for one, is in the middle of a major sea change as sales continue to fall. In order to improve their balance sheets, companies are trying to stabilize earnings in a low-growth domestic market while boosting overseas production to offset low export profitability. What is more, market watchers expect that increased overseas production will serve as a hedge against future currency fluctuations. With this in mind, Nissan has cut its exports from Japan by 26 percent while boosting overseas production by 22 percent. In addition, Honda hopes to build its Civic model in Pakistan next year, while Suzuki is eyeing a production boost in India.

As "cost reduction" becomes the operative phrase in the industry, automakers are also re-examining production methods. As a result, future savings will likely come in the form of parts standardization, fewer components, extension of model change cycles and the elimination of several model varieties.

Similar efficiency is also creating strange bedfellows at the sales end of the industry. Honda, for example, will begin selling Isuzu's recreational vehicles through its extensive U.S. network, while Isuzu will sell Honda's passenger cars in Japan. Nissan and Mazda have entered into similar pacts, and Toyota seems set to boost its cooperative links with Hino and Daihatsu.

A similar shake-up is going on within the once-almighty electronics industry. Nationwide overtime and bonus cuts have reduced domestic sales, and the strong yen has forced manufacturers to boost overseas prices at the cost of market share. Further, no innovative new product — a possible savior in an industry-wide slump — has yet to emerge. In response, several industry analysts claim that electronics companies will have to specialize and seek out new fields of expansion. The director of the Electronics Industries Association of Japan, Ryuji Iwasaki, is urging electronics manufacturers to focus their energies on communication technologies like fiber optics.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Robert Carroll, a free-lance writer based in Tokyo.



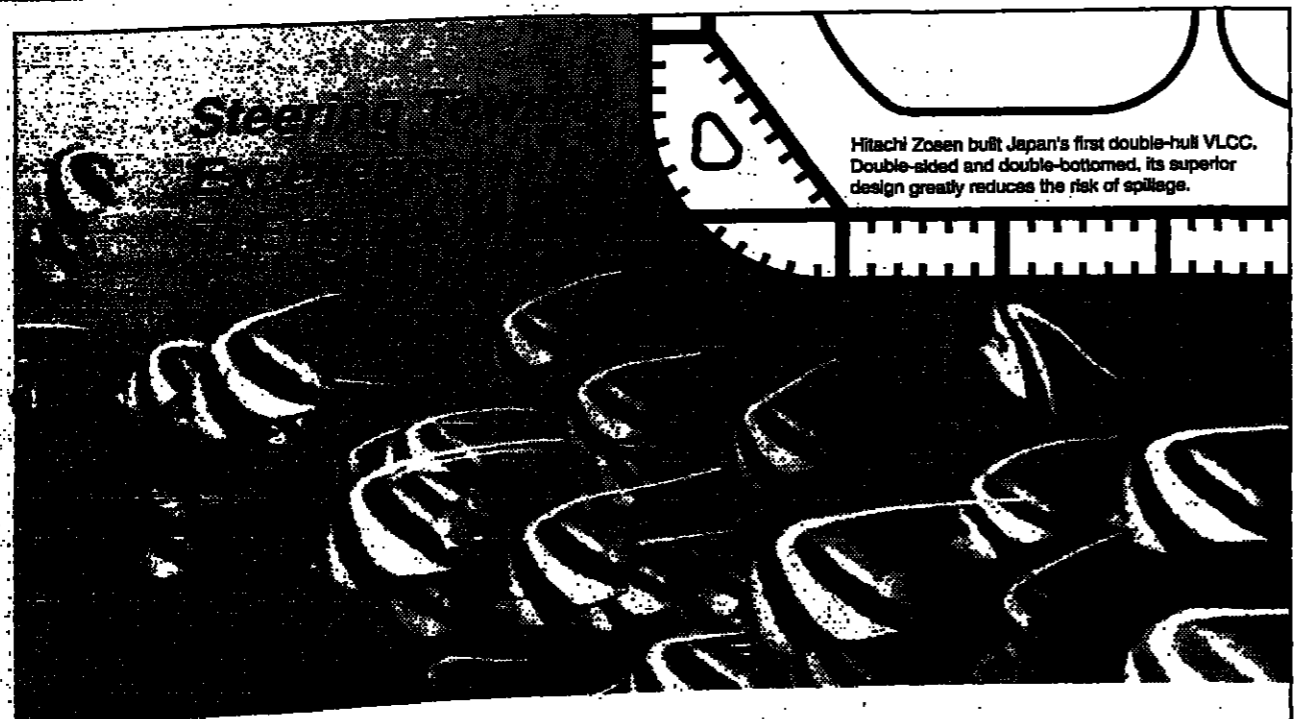
The Hotel Okura is the first choice of executive travellers from all over the world. Why? We invite you to come see and understand.

Contact your travel agent or our hotel representatives:

THE LEADING HOTELS OF THE WORLD
PREFERRED HOTELS & RESORTS WORLDWIDE
UTELL INTERNATIONAL

HOTEL OKURA, TOKYO, JAPAN
2-10-4 Toranomon, Minato-ku, Tokyo 105, Japan
Tel: 03-3582-0111 Fax: 03-3582-3707 Telex: J22790

HOTEL OKURA OFFICES WORLDWIDE
New York Tel: 212-755-0733
Los Angeles Tel: 213-488-1477
Amsterdam Tel: 020-6761160
Hong Kong Tel: 895-1717



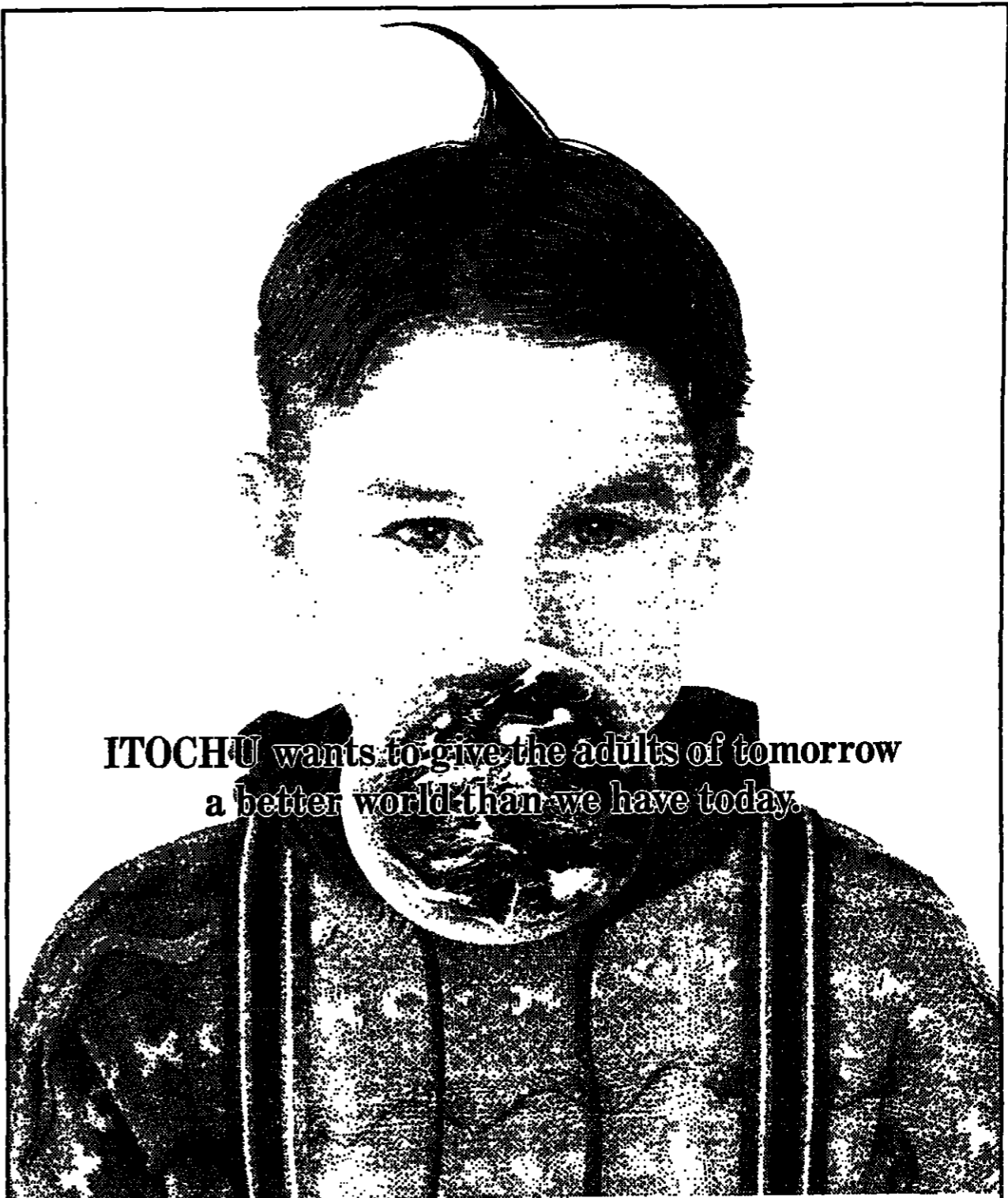
Hitachi Zosen built Japan's first double-hull VLCC. Double-sided and double-bottomed, its superior design greatly reduces the risk of spillage.

With more than 110 years as a leading shipbuilder and manufacturer of heavy industrial machinery, Hitachi Zosen plays an increasingly assertive role in projects to preserve our earth. We've built Japan's first double-hull VLCC, space-saving parking facilities, and air and water cleaning devices that protect the environment. After all, we won't have it tomorrow if we don't take care of it today.

We build industries
Hitachi Zosen

HITACHI ZOSEN CORPORATION

1-1-1 Hitatsubashi, Chiyoda-ku,
Tokyo 100, Japan
Phone: 03-3217-8418 Fax: 03-3217-8545



ITOCHU wants to give the adults of tomorrow a better world than we have today.

At the brink of the 21st Century, ITOCHU is strengthening a promise we made to our children: that we would strive to give them a sense of security with no fear of want.

So far we are fulfilling that pledge through our mass information services which break down the barriers of misunderstanding; and through better housing and work facilities for a healthier family atmosphere. We are also safeguarding the planet they will inherit through natural resource development.

At ITOCHU, we believe the world of tomorrow depends on our actions today. It is a commitment to our children that can never end.

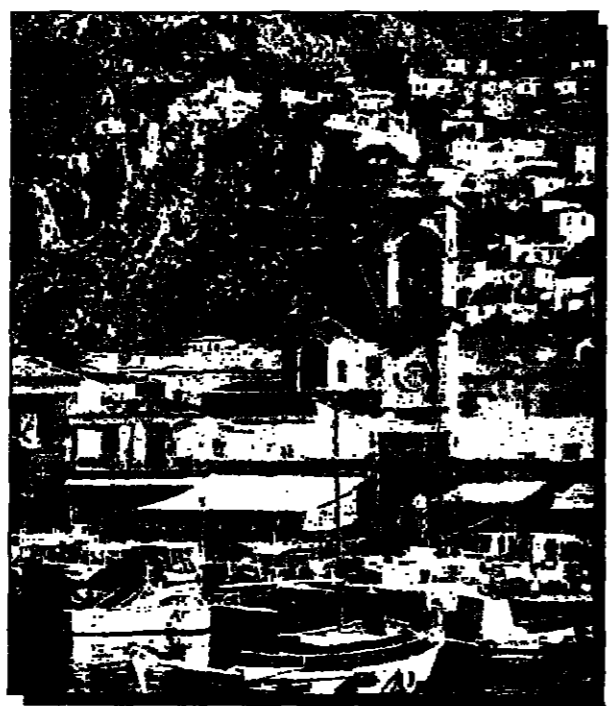


ITOCHU Corporation
Committed to the global good.

greece



Andreas Papandreou receives congratulations (above) after his 1993 election victory, an event that will echo through Greek life from the capital to such sun-soaked tourist resorts as the island of Hydra (right).



GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

The newly elected government of the Panhellenic Socialist Movement, led by Andreas Papandreou, has promised improved economic conditions and an end to austerity.

The Socialists differ from the defeated New Democracy party on the question of the privatization of state-owned enterprises and promise a return of the Athens transportation and bus system to government control. On foreign affairs, the new government has indicated that it will take a tougher stand toward the former Yugoslav Republic of Macedonia.

At the same time, Mr. Papandreou has stressed the pro-European position of his party. Speaking on his government's program during his first appearance in Parliament, he also made clear his U.S. position. This contrasted with his previous period of office — from 1981 to 1989 — when Mr. Papandreou advocated the removal of American bases from Greece and called for a Greek withdrawal from NATO and from the European Community. There is no doubt about the seriousness of the economic problems Mr. Papandreou

must deal with. The European Commission Henning Kristoffersen, speaking about the high deficits of the Greek public sector, says that the Greek economic situation has become "worse than expected" during the last months. According to the estimates of the EC Commission, Greece must prepare a new program of economic reform.

Speaking after the fall of the Greek Socialist government in 1989 and the formation of the conservative coalition government, Jacques Delors, already president of the EC Commission, made similar comments and advised urgent austerity measures. The conservatives acknowledged the seriousness of the situation but delayed action until 1992, when conditions had deteriorated further.

According to present estimates, the deficit of the 1994 budget will amount to 4.6 trillion drachmas (\$18.7 billion), or 24 percent of the gross national product. This, together with the fact that Greece pays 7 trillion drachmas for the ser-

vice of its internal and external debts, will leave little for productive investment.

National Economy Minister George Yennimatas claims, however, that his 1994 budget will allow for the formation of a substantial reserve that will be used together with EC funds under the Delors package for infrastructure projects and the support of Greek industries.

Mr. Papandreou, outlining his economic policy, made it clear that all the major projects launched by the former government, including a new Athens Airport at Spata, the Rio-Antirio suspension bridge connecting southwest Peloponnis with central Greece, and the diversion of the Achelous river, would continue. "After all, these projects were really planned by our government before 1989," says Mr. Yennimatas.

Greece's economic leaders have been encouraged by the promise of New Democracy's new leader, Miltiades Evert, that the major opposition party will support the gov-

ernment's efforts to improve the economy and to promote the country's international position. Mr. Evert was elected party leader after former Prime Minister Constantine Mitsotakis resigned following his electoral defeat.

Iason Stratos, president of the Federation of Greek Industries, called on the new government to limit its expenses in order to cut deficits, keep salary and pension increases under the present inflation rate of 11 percent and ease its credit policy toward industrial enterprises, so that they could become more competitive. In a memorandum to the new government, the federation pointed out that industrial production in Greece would decline for the third consecutive year in 1993. "Although a significant proportion of companies would show satisfactory results,"

The industrialists asked for a political consensus on such issues as the modernization of public administration, a freeze on hiring new civil servants, the broadening of the tax base and the reduction of tax evasion. The government has

Continued on page 1c

Government stresses pro-Europe stand

FINANCE MINISTER EXPLAINS ECONOMIC PRIORITIES

George Yennimatas, minister of the national economy and finance, answers questions on government plans to stabilize the economy and attract foreign investors.

How does the government plan to eliminate the deficits of the public sector while maintaining a public investment program?

The main characteristics

of the 1994 budget to be submitted for approval by Parliament are the holding down of public expenses, the effort to fill the gaps in the 1993 receipts and the expansion of the tax base through the establishment of new ways of objective definition of taxable incomes. In particular, the operating expenses of the public sector will increase

by a rate equaling half of the rate of inflation, while the income policy of the public sector will not surpass inflation, regardless of the real losses of income during recent years.

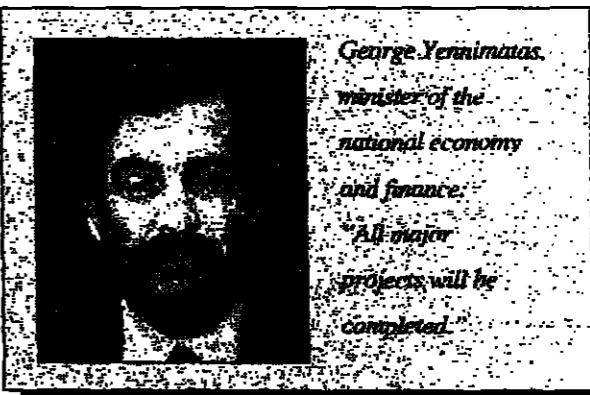
As a result, we will be able to create a surplus and to limit borrowing to levels lower than those of 1993. Finally, thanks to the in-

flow of European Community funds, the investment program will increase substantially. Expenditure will be higher than 1993 and in comparison to the gross national product.

Will the government continue the major public-works program, which includes the Spata Airport, the Athens Metro, the Rio-Antirio Bridge and the Eleusis-Spata highway?

All these major projects will be completed. In most cases, the projects were originally launched by this government before the 1989 elections. In any case, they will continue because they constitute part of the basic infrastructure required for the proper operation of this country's pro-

Continued on page 1c



George Yennimatas, minister of the national economy and finance. "All major projects will be completed."

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • John Rigos and Pat Hamilton are both free-lance writers based in Athens.

GREECE: A COUNTRY WITH POTENTIAL

GREECE is the perfect combination of past and present — and a country with potential for a bright future. A fact which shows in the many different products Greece has to offer.

A range which includes from traditional products to high-tech industrial products. All Greek products reflect high quality and meet international standards.

And many provide exceptional opportunities for great success in foreign markets.

Among Greek products presently being exported worldwide are: Olive oil, olives, cheese, tomato pulp, pasta, pickled vegetables, canned fruits, wine, tobacco, dairy products, flowers, footwear, ready to wear, textiles, building materials, minerals, marble, cement, industrial equipment, oil

refinery products, ship building and repairs, pleasure crafts, medical and dental machinery, software, etc.

All you need is HEPO.

If you're interested in importing products from Greece, all you need is HEPO. HEPO, the Hellenic Export Promotion Organization responsible for the development and promotion of Greek exports.

HEPO is ready and willing to provide any assistance you need to successfully import Greek products.

Just contact our group of specialists and they'll make your contacts in Greece, quickly and easily.

Whatever the contact, whatever the need... there is always HEPO.



HEPO: HELLENIC EXPORT PROMOTION ORGANIZATION

MARINOU ANTIPA STR. 86-88
143-46 Ilioupoli, Athens, Greece.

Tel.: (01) 99 61 900-14/(01)99 61 921-23
Telex: 220201 HOPEGR - Fax: 9915655-9915392

ETBA
HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.
87, SYNGROU AVE., 117 46 ATHENS - GREECE
TEL: 011 01 4210 - CHARLES ETYMBANK
TELEX: 011 25200 ETVA GR - 21204 ETVA GR
TELEFAX: 011 252151 - 252152 - 252157

LAW 1892/90

Please send me further information

Name _____
Position _____
Company _____
Address _____

This advertisement was financed by 70% through E.C. funds.

Handwritten text in Arabic script: "مركز الدراسات والبحوث"

SPORTS

Intrum Justitia Sails Into Fremantle After 'Very Hairy' Record Trip

By Keith Wheatley
Special to the Herald Tribune
FREMANTLE, Australia — Intrum Justitia, the pre-European yacht skippered by Englishman Lawrence Smith, sailed into harbor Thursday under a bright yellow sun...

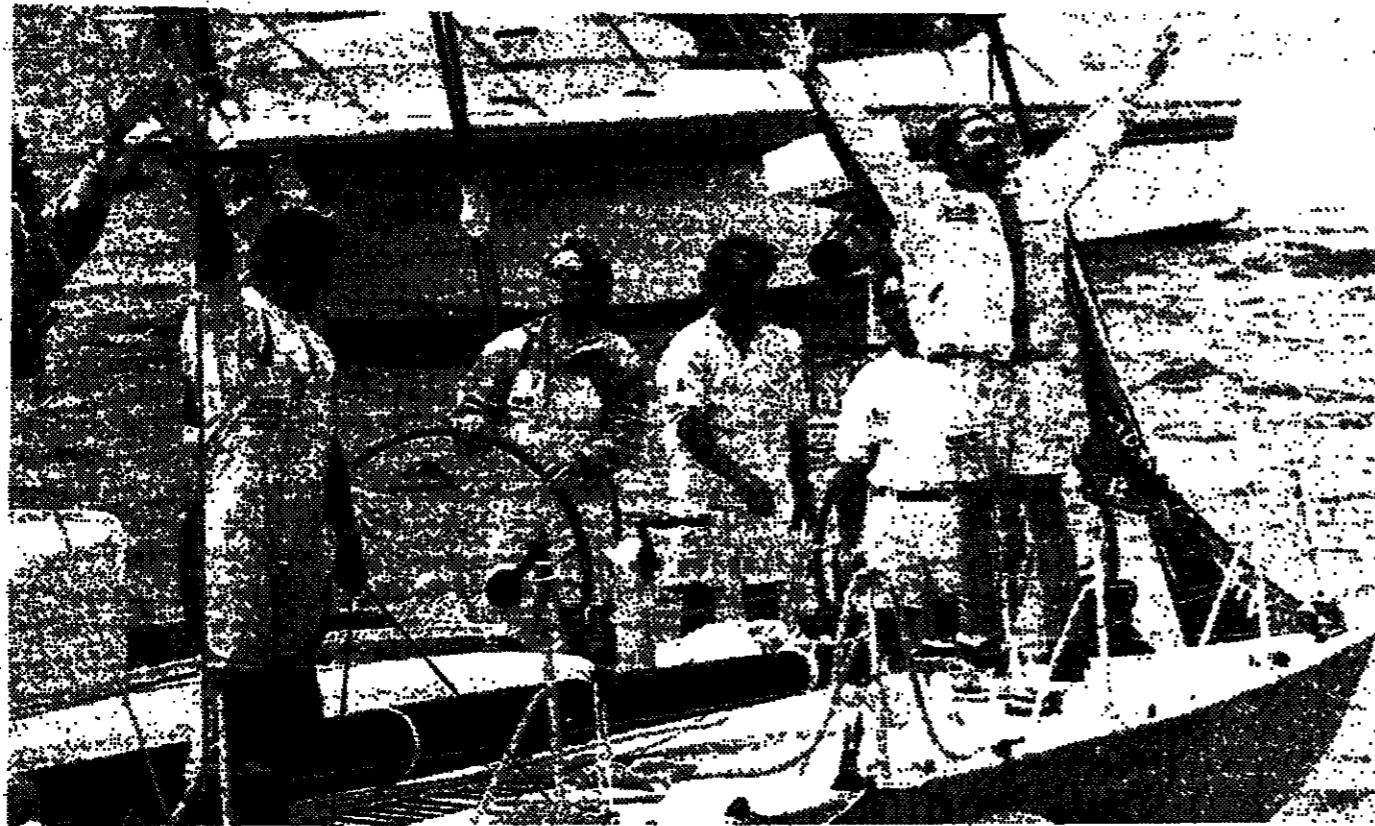
smaller lumps broken off icebergs — "going past close to the hull at 20 knots — and they were just the ones we saw during daylight."
Tokio, the Japanese-sponsored W60 skippered by New Zealander Chris Dickson, remained the race's overall leader as she finished exactly two hours behind Intrum Justitia. At one point, it looked as if Tokio just might overtake her rival on the final day, after having trailed by as many as 80 miles on the voyage that began Nov. 13.

Having crossed the finish line 8 hours, 22 minutes ahead of Merit on the first leg, Endeavour's skipper, Grant Dalton, had finished part two of the 33,000-mile race still comfortably leading his division and in far better shape than he could reasonably have expected.
Tokio, heading the fleet on combined time, had increased her lead over every yacht except Intrum.

"We beat them, we can beat them again and once they get used to it they might even give in," Smith said, adding somewhat ruefully: "But we deserved a bigger lead."
"We found a big high pressure system just off the Australian coast and parked in it," he said. "The boatspeed was down to two knots at one point."
The turning point for Intrum came at Prince Edward Island, the halfway point of the leg, where the Dutch navigator, Marcel van Triest, suggested that they take a tactical gamble and sail south, away from the fleet.
"I said we had a two-thirds chance of gaining 20 miles and a one-third chance of losing 10, so Lawrence said do it — and then moaned about it all night," van Triest said with a laugh.
In fact, the tactic gained Intrum a 60-mile lead.

The victory was a personal triumph for Smith. When the Whitbread started Sept. 5 in Southampton, England, he was at the wheel of the Spanish maxi-ketch Fortuna. When she lost her mizzen mast 48 hours after setting sail and withdrew, it looked as if Britain's top racing yachtsman would be following the Whitbread on television.
He joined Intrum in Uruguay, a last-minute replacement for Roger Nilson of Sweden, who had injured his knee on the first leg. A boat that struggled to finish seventh in Punta del Este was turned into a potential race-winner — although, before that can happen, Intrum must get past Tokio.
"we sailed a very cautious leg," said her skipper, Dickson. "The tactics were very conservative. Every time the wind got over 40 knots, we'd take our foot off the floor and think about keeping the boat in one piece."
"It was noticeable that on those occasions, Intrum and some of the others that were running flat out would gain between 10 and 12 miles on us in six hours. Overall, I don't think we suffered from the policy."

But ocean racing, it seems, has become such a wheel-to-wheel sport that, after 7,500 miles through some of the world's toughest seas, the first six yachts finished within eight hours of each other.
Even Dalton's thesis, that Endeavour or one of the other outlasted but still powerful maxis can beat the lightweight W60s around the world, remained a possibility.
The third leg, from Fremantle to Auckland, New Zealand, starts Jan. 7. The race is scheduled to end in Southampton in July.



The Intrum Justitia's crew gave the port coast a big hello as they arrived after a 7,614-nautical-mile passage from Punta del Este, Uruguay. Tokio was the second boat to finish, with a third W60-class yacht, Yamaha, coming in third.

Samaranch Says Changes In 2000 Won't Be Major

LAUSANNE, Switzerland — The International Olympic Committee's president, Juan Antonio Samaranch, said Thursday there will be no drastic changes to the program for the 2000 Games, dousing speculation that several sports would be dropped.
"We don't like revolution, we want evolution," Samaranch said at the end of a four-day meeting of the IOC's executive board. "Any changes for the year 2000 will not be major changes."
The IOC program commission submitted a report to the board Monday recommending which sports should be eliminated or added at the Olympics in Sydney.
The IOC imposed a lid of secrecy on the report, which some sources described as proposing radical changes. Unconfirmed reports suggested that about five sports or disciplines were in danger of being axed, including boxing, modern pentathlon and fencing.
Samaranch made clear, however, that the report is only a "working document" and the executive board will come up with the final plan in time for the IOC session in Paris next September.

movement for a long time can be assured that nothing will be done that is not really necessary," he said.
On another issue, Samaranch said he hopes to visit the war-torn Bosnian capital of Sarajevo in February during the Winter Olympics in Lillehammer, Norway. Sarajevo was the host of the 1984 Winter Games.
Samaranch said he has twice sought to arrange a trip to Sarajevo, but permission was denied both times. He said he would like to make a one or two-day visit sometime during the Feb. 12-27 Games.
The proposed visit is part of the IOC's initiative for an "Olympic Truce." The UN General Assembly recently endorsed the idea, which urges warring parties to lay down their arms during the Olympics.
Samaranch and the executive board met Wednesday with national Olympic committee officials from Yugoslavia and Croatia. Bosnian Olympic leaders were prevented from leaving the country to attend the meeting.
Samaranch said the IOC will seek to arrange talks with officials of three warring factions in Bosnia, the Serbs, Croats and Muslims.

He acknowledged, however, that the chances of achieving a truce are slim.
"We know it is nearly impossible, but it is the duty of the Olympic movement to try," he said. "If the fighters stop for a few weeks, maybe they could stop for a longer time, maybe forever."
Meanwhile, Samaranch said he is still waiting for a list of candidates for a new IOC member from the United States.
The United States has two seats on the IOC. One has been vacant since 1991 when Robert Helms resigned in a conflict-of-interest scandal. U.S. officials have repeatedly failed to come up with a list suitable to Samaranch.
In a separate interview, he said he wants the USOC to submit a list with at least three names.
Beach volleyball, which is to become an Olympic sport in Atlanta in 1996, will make its debut in international competition at next year's Asian Games in Hiroshima, Agency France-Press reported.
Ruben Acosta, president of the International Volleyball Federation, said the decision had been taken recently in Kuwait by the general assembly of the Olympic Council of Asia.

Stich and Edberg Take Bankbooks Into Semifinals

MUNICH — Brett Steven took the biggest paycheck of his career and went home Thursday. Michael Stich took more money and moved into the semifinals of the Grand Slam Cup.
Stich, the defending champion, beat Steven, 5-7, 6-4, 6-4, before Stefan Edberg ousted Wayne Ferreira, 6-7 (5-7), 6-4, 6-0, in the night's other match. Edberg, world Stich's best friend, is one of Sweden's socialists.
Steven, 24 and ranked 43d in the

world, gained a place in the 16-man field when Richard Krajicek dropped out because of an injury. But his earnings improved dramatically here.
By reaching the quarterfinals, the New Zealander, who has never won a tournament, picked up \$262,500 and nearly doubled his 1993 earnings. His biggest previous payday had been \$35,000.
The whole mystery — it is hard to understand what it all means," Steven said. "Most of the other guys in this tournament have

enough money to last them for the rest of their lives.
"For me it's fantastic that it enables me to have a choice once I finish playing tennis of what I am going to do. I am going to save it."
Stich did quite handsomely himself. For reaching the semifinals, he collected \$431,250 — for three hours of work spread over two days.
The German got \$2 million for his victory here last year and his total Grand Slam Cup earnings now stand at \$2,881,250.

The \$6 million Grand Slam Cup, the richest tournament in the world, invites the 16 players with the best record over the four Grand Slam tournaments of the year — the Australian, French and U.S. Opens and Wimbledon.
Steven, a quarterfinalist at the Australian Open, was relaxing in Bermuda last week when he was told to come to Munich.
But he upset Cedric Pioline in the first round and gave Stich a difficult time before bowing out to

the hottest player on the circuit.
Steven broke Stich to win the first set and fought back from a 1-5 deficit in the second, saving two set points before Stich served out the set. But once Stich broke to lead 1-0 in the third, he cruised home.
Stich who won the ATP Tour World Championship in Frankfurt in November and led Germany to the Japanese Grand Prix on Oct. 24, has already earned nearly \$2 million within the last month, not counting this event.

SCOREBOARD

BASKETBALL

NBA Standings

Table with columns for Eastern Conference, Central Division, Western Conference, Midwest Division, and Pacific Division. Lists teams like New York, Orlando, Boston, etc., with win/loss records.

FOOTBALL

1993 All-America Team

Table listing All-America team members by position: Quarterback (Charlie Ward), Running Back (Drew Brees), etc., with their schools.

SOCCER

ENGLISH PREMIER LEAGUE

Table showing Premier League standings with columns for team, points, and goals scored/conceded.

HOCKEY

NHL Standings

Table showing NHL standings by conference: Eastern Conference, Western Conference, and Central Division.

CRICKET

ONE-DAY INTERNATIONAL

Table showing ODI match results between Australia and South Africa.

SIDELINES

Sympathetic FIA Goes Easy on Senna

PARIS (Reuters) — Formula One star Ayrton Senna got Thursday with a suspended two-race ban after admitting to an FIA hearing that he had struck Irish driver Eddie Irvine during an argument after the Japanese Grand Prix on Oct. 24.
FIA's president, Max Mosley, said Senna would have his license withdrawn for the first two Formula One races of the 1994 season but that the ban was suspended for six months.
"Senna recognized and admitted that he had hit him," Mosley said. "He was honest and fair, responsible and reasonable and we all felt great sympathy for him."

Johnston, Grace Get New Contracts

SEATTLE (AP) — Randy Johnson, the major league strikeout leader for two straight seasons, agreed Thursday to a four-year contract with the Seattle Mariners worth \$30 million.
Mark Grace, a consistent .300 hitter and smooth-fielding first baseman with the Chicago Cubs, has agreed to a \$4.4 million, one-year contract, a raise of \$1.3 million.

Benn, Nunn on Same London Card

LONDON (AP) — Super-middleweight champions Nigel Benn and Michael Nunn will defend their titles on the same bill at Earl's Court in London on Feb. 26.
Promoters announced Thursday that Benn, who holds the WBC title, will fight fellow Briton Wharston. Nunn's opponent for the WBA crown was not announced, but a spokesman for co-promoter Frank Warren said the likely challenger would be fellow American Frank Lewis.
Promoters announced Thursday that Benn, who holds the WBC title, will fight fellow Briton Wharston. Nunn's opponent for the WBA crown was not announced, but a spokesman for co-promoter Frank Warren said the likely challenger would be fellow American Frank Lewis.

Major College Scores

Table listing scores for various college sports including basketball, football, and hockey.

Changing Weather Plays Havoc With Ski Races

VEYSONNAZ, Switzerland — The women's World Cup downhill race here has been set back a day, to Saturday, after bad weather Thursday forced organizers to call off training for the second day running.
Overnight snow made the course too soft for practice on Thursday. International Ski Federation regulations require two official training runs to be held before a World Cup downhill race.
Organizers said they hoped to stage two practice runs Friday, with the downhill now being held Saturday, followed by a giant slalom Sunday and slalom Monday.

War for the Record

Barry Sanders, the NFL's leading rusher, is more seriously hurt than first thought and probably will miss several more games for the Detroit Lions, a doctor said.
Denny Blanchflower, 67, who played for the Northern Ireland team that reached the 1958 World Cup quarterfinals and later managed the national team, and who captained Tottenham Hotspur to the English League and Cup double in 1961, has died.

INTERNATIONAL CLASSIFIED

Advertisement for International Classified services, listing various agencies like BELGRAVIA ORCHIDS, BARONESS DE SILVA, and others, along with their contact information.

OBSERVER

Out-Rubeing Goldberg

By Russell Baker
WASHINGTON — Trying to understand the various health care programs kicking around Washington reminds me of what I've always said about the income-tax law: They could make it even tougher for the American mind to grasp if they'd write the directions in Finnish.
At first glance, the main goal of people who draw up tax laws and these health care programs seems to be to make the customer feel inferior. Actually, this is not so.
I have met people who write tax laws and design health care programs, and nobody surpasses them when it comes to loving the rest of the human race. They are the salt of the earth, not to mention the soul of kindness.
They think you are giving them a little regular-guy kidding when you say their tax law is incomprehensible or tell them their plan for a whole new world of health insurance is such a preposterous Rube Goldberg construction that the great Rube himself wouldn't have had the nerve to put it in the comic strips.
The trouble is that they are lawyers, or lobbyists, or social engineers, or policy designers who spend their lives hunkered down in vacuum called "institutes" or "think tanks." People in these trades are obsessed with complexity.
Take President Clinton's health care plan: It is based on setting up alliances all over the country. What happens, so far as it can make out, is that everybody gets together with folks in the neighborhood and forms an alliance.
Then you all sell yourselves some health insurance, which you have scared Prudential or John Hancock into providing at an absurdly cheap rate, because the spectacle of the whole neighborhood in alliance gives the insurance industry such a case of the fantods that they don't even dare put any fine print in the contract.
Or maybe it's the alliance that sells you some health insurance, though I can't see that it makes much difference, since you are the alliance are one, if I have this correctly.
All right, you've formed the alliance, you've scared the bejebers out of the insurance industry,

Oliver Stone: A Man Controversy Loves

By Bernard Weinraub
New York Times Service
HOLLYWOOD — Two years after his film "JFK" stirred more headlines and editorials than any other movie in a long while, the director Oliver Stone has a new movie that is — big surprise — both provocative and about a subject that obsesses him. In this case, it's Vietnam.
"I've been classified as everything: a Vietnam freak, a '60s nostalgia buff, a conspiracy nut," he said in a recent interview. "I don't seek out controversy. I don't. It comes to me."
Whether Stone tries to avoid controversy is certainly debatable. "Heaven and Earth," his latest film, is hardly likely to inflame passions the way "JFK" did. But the new movie, which is to open in New York and other large cities on Christmas, is almost certain to provoke the sort of contentious dialogue that is now expected of any Stone film.
The film, which is set in Vietnam and in the United States and stars Tommy Lee Jones and a newcomer, Hiep Thi Le, is an adaptation of two memoirs by a Vietnamese woman, Le Ly Hayslip. "When Heaven and Earth Changed Places" (1989) and "Child of War, Woman of Peace" (1993).
The books recount Hayslip's harrowing teenage years in a rice farming village in central Vietnam during the war, and her bleak life in the United States afterward.
"When I read them, I was just moved by the raw, almost naive emotions," said Stone, who was seated in a room at an editing facility in West Los Angeles.
"I loved all the roles she played," Stone said of Hayslip, who is now a businesswoman in the San Diego area.
"Was she a beggar, a prostitute, an American housewife, a traitor, a spy, a rape victim, a mistress to a rich man. She had three children with three different men. All the men were military or police people. All have similar traits in a strange way: very strong on the surface but weak spots."
The same traits could probably be applied, at least in directorial terms, to Stone.
Stone won Academy Awards for his direction of two other Vietnam War films — "Platoon" (1986) and "Born on the Fourth of July" (1989), a powerful saga about the return home of a crippled Marine — and for his screenplay adaptation of "Midnight Express" (1978). Yet his gifts as a filmmaker are often obscured, perhaps even diminished, by his polemics.
After the release of "JFK," which blurred fact and fiction, claiming that people at the highest levels of the government were involved in the assassination of President John F. Kennedy, Stone spent months defending the film, not against against movie critics so much as political columnists and editorial writers, who said he had been reckless with the facts.
"Has 'JFK' changed me?" he said quietly. "It's probably changed me for the rest of my life."
It was a place I've never been before in my life. "Born on the Fourth of July" was controversial; it was attacked quite a bit. But nothing like "JFK." It took me to another level. It made me more of a weather vane, more of a political personality as opposed to a filmmaker. I did not fully understand the implications of that."
Stone said he had no regrets whatsoever about "JFK." But he's also aware the film turned him, at least in the eyes of many filmmakers and critics, into more of an ideologue than a film craftsman. No other top director is burdened with such heavy political baggage.
He's ambivalent about it. "When you become a political personality, you turn into a symbol, and when you become a symbol, then a lot of the humanity is stripped from you and you're no longer a rounded person but a cartoon, an ideologue," he said. "When you become an ideologue, the perception of you is that you lose touch with your soul."
"Here's too much hype, too much negativity, too much hatred up front," he went on. "I guess I am paranoid about it. All I can do is keep my head down and go about my business and make my movies."
"As long as I make films that are good, the reassessment will set in," he said. "Eventually people will see through the polemic to the films themselves."
In "Heaven and Earth," a Warner Brothers movie, Stone apportions the blame. Hayslip is raped by a brutal gang of Vietnamese. But the South Vietnamese and the Americans are often seen as equally violent. And Stone depicts the Americans Hayslip encounters in Southern California as grotesque and narrow-minded.
Partly because of Vietnamese officials' antipathy toward Hayslip's books, most of the film, which cost \$23 million, was shot in Thailand, although some scenes were made surreptitiously in Vietnam by a documentary team working for Stone.
The part of Hayslip is played by Hiep Thi Le, a 23-year-old physiology major at the University of California at Davis, who left Vietnam at the age of 9 in a group of boat people. During an extensive talent search in the United States and Asia, she was discovered at an audition in San Jose, California, to which she had originally come simply to accompany a friend.
Stone recalled: "She walked in, and she was just dead. I thought, like, she was spectacular."
At age 46, Stone is enduring some personal travails. He is in the process of a



Oliver Stone: "I don't seek out controversy. I don't. It comes to me."

divorce (he and his wife have two children). He is spending more time traveling, mostly in Asia. And he is studying Buddhism.
He is also working at a breakneck pace. He is now in the midst of editing another film, "Natural Born Killers," a satire that also stars Jones, one of his favorite actors. That movie is scheduled for release in June.
Stone is also intent on making a film version of the musical "Evita." And he has produced or co-produced such successful films as "Reversal of Fortune" and "The Joy Luck Club."
The director, who grew up in Manhattan, has dedicated "Heaven and Earth" to his mother, Jacqueline Stone, who lives in New York and Paris. His father, Louis, who worked on Wall Street, died in 1986. "Wall Street" (1987) was dedicated to him.
His parents, Stone said, had a strong impact on him.
"My mom is French," he said. "She was a war bride. My father was a lieutenant colonel in Paris who picked her up on the street actually. She married a man she hardly knew."
"My father had a wonderful imagination," he said. "He was a failed playwright. He wrote plays, he wrote poems. He took me to see '8 1/2' when I was a kid. He was also a very strong character."
Stone's parents divorced when he was 16. "The family just scattered to the wind," said the director, who has no siblings. To his father's dismay, Stone dropped out of Yale, joined the army and went to Vietnam. After returning, he attended New York University's film school in 1971; then he moved to Los Angeles, where he wrote such films as "Midnight Express" and "Scarface" before turning to directing.
Part of the reason that "Heaven and Earth" is dedicated to his mother, Stone said, is that he had never before made a film where the primary character was a woman.
"My mom always wanted me to make a 'Gone with the Wind' type movie," he said. "This is as close as I can get right now."

PEOPLE

Japan's Crown Princess Feted on 30th Birthday

Crown Princess Masako, who gave up a promising diplomatic career to wed Crown Prince Naruhiko, 33, heir to Japan's throne, last June, celebrated her 30th birthday, receiving family members and palace employees Thursday. Later, she was honored at a luncheon and tea ceremony. Emperor Akihito and Empress Michiko, who has been ill since collapsing Oct. 20, were not scheduled to join the festivities. They are staying at their summer villa while movers unpack their belongings at a new residence on the Imperial Palace grounds in Tokyo.
A jury has ordered Zia Zia Gabor and her husband, Frederick von Anhalt, to pay Elke Sommer an additional \$1.5 million in punitive damages for telling German publications that the actress is a Hollywood has-been. Earlier this week, the couple was ordered to pay Sommer \$2 million in general damages. At a news conference, Gabor said: "I would rather see her [Sommer] starve than give her a dollar. I'm an American. This is America. We have freedom of speech. I can't believe the jury."
Sonny Bono, 58, says he isn't making it official yet but intends to announce his candidacy for lieutenant governor of California next month. Bono, the former mayor of Palm Springs, has been endorsed by Bruce Herschensohn, who beat Bono for a Republican U.S. Senate nomination last year. Herschensohn reportedly has signed on as Bono's campaign chairman.
Former U.S. Interior Secretary Stewart Udall has accused Shirley MacLaine of trying to be "queen of the mountain" by building a home close to his near Santa Fe, New Mexico. Udall later apologized, but said he was concerned that MacLaine's home and other developments planned for around Aralaya Mountain could damage the environment. MacLaine said: "I never intended to be queen of anything. This mountain belongs to God. I bought the mountain to protect it."

INTERNATIONAL CLASSIFIED
Appears on Pages 3, 7 & 10.

WEATHER

Weather forecast section including Europe, Asia, Africa, North America, Middle East, Latin America, and Oceania. Includes maps and temperature tables.

WEEKEND SKI REPORT

Weekend ski report section listing various ski resorts, their conditions, and recommendations. Includes a small illustration of a skier.

Large advertisement for the International Herald Tribune, featuring the headline 'A WEEK IN THE LIFE OF THE TRIB' and a list of daily content including sports, health, politics, business, and entertainment.

هكذا من الاصل